

CHURCH OF IRELAND

THE REPRESENTATIVE CHURCH BODY

REPORT 2015

The Representative Church Body – Report 2015

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THE REPRESENTATIVE BODY OF THE CHURCH OF IRELAND

Chairman

The Most Rev Richard Clarke, Archbishop of Armagh



The Most Rev
Richard Clarke

Committee Chairpersons

Executive	Mr Robert Neill
	Mr Henry Saville (Deputy)
Allocations	Canon Graham Richards
Investment	Mr Henry Saville
Property	Mr Robert Kay
Stipends	Mr William Oliver
Library and Archives	Mr Michael Webb
Legal Advisory	Mr Lyndon MacCann SC
Audit	Mr Henry Saville

Chief Officer and Secretary

Mr Adrian Clements

The Representative Church Body (RCB) was incorporated by Charter in 1870 under the provisions of the *Irish Church Act, 1869*. Its legal structure is that of charitable trustee or trust corporation with perpetual succession.

The main activities of the RCB involve management of investments, administration of trusts and deeds of covenant, payment of stipends and pensions, property and legal transactions and treasury management as well as supporting the core work of the Church by providing finance for the sustentation of the clergy and pensioners, training of ordinands, education, youth, communications etc. The RCB Library is the repository for the archives of the Church and the Library for the Church of Ireland Theological Institute and the Church at large. The committee structure is designed to reflect these mainline activities and responsibilities.

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Church Avenue
Rathmines Dublin 6

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Email office@rcbdub.org
Website www.rcb.ireland.anglican.org

Library

Braemor Park
Churchtown
Dublin 14

Tel 01-4923979
Fax 01-4924770
Email library@ireland.anglican.org

THE REPRESENTATIVE BODY OF THE CHURCH OF IRELAND

In accordance with the Charter of Incorporation (1870) the Representative Body is composed of *ex-officio*, elected and co-opted members. The Charter provides that the *ex-officio* members shall be the archbishops and bishops, the elected members shall consist of one clerical and two lay representatives for each diocese or union of dioceses presided over by one bishop and the co-opted members shall consist of persons equal in number to the number of such dioceses for the time being. (See also *Constitution of the Church of Ireland*, Chapter X).

The Representative Body is composed of the following sixty members. The recorded attendance of each at the four meetings of the Representative Body held during the year 2014 is denoted by the figure placed before each name.

A Archbishops and Bishops: *ex-officio* members (12)

- 4 The Most Rev Richard Clarke, Archbishop of Armagh
The See House, Cathedral Close, Armagh BT61 7EE
- 4 The Most Rev Michael Jackson, Archbishop of Dublin
The See House, 17 Temple Road, Dublin 6
- 4 The Most Rev Pat Storey, Bishop of Meath and Kildare
Bishop's House, Moyglare, Maynooth, Co Kildare
- 3 The Rt Rev John McDowell, Bishop of Clogher
The See House, Fivemiletown, Co Tyrone BT75 0QP
- 4 The Rt Rev Kenneth Good, Bishop of Derry and Raphoe
The See House, 112 Culmore Road, Londonderry BT48 8JF
- 4 The Rt Rev Harold Miller, Bishop of Down and Dromore
The See House, 32 Knockdene Park South, Belfast BT5 7AB
- 3 The Rt Rev Alan Abernethy, Bishop of Connor
Bishop's House, 3 Upper Malone Road, Belfast BT9 6TD
- 4 The Rt Rev Ferran Glenfield, Bishop of Kilmore
The See House, Kilmore, Cavan, Co Cavan
- 4 The Rt Rev Patrick Rooke, Bishop of Tuam
Bishop's House, Breaffy Woods, Castlebar, Co Mayo
- 4 The Rt Rev Michael Burrows, Bishop of Cashel, Ferns and Ossory
Bishop's House, Troysgate, Kilkenny
- 3 The Rt Rev Paul Colton, Bishop of Cork, Cloyne and Ross
The Palace, Bishop Street, Cork
- 2 The Rt Rev Trevor Williams, Bishop of Limerick and Killaloe*
Rien Roe, Adare, Co Limerick

* retired July 2014 and replaced by Rt Rev Kenneth Kearon (consecrated January 2015)

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B Elected members (36)

Every member elected, except to a casual vacancy, must retire from office on the first day of the third Ordinary Session of the Diocesan Synod after that member's election (*Constitution of the Church of Ireland* Chapter X, Section 3). The date in brackets after each member's name denotes the year in which that member is due to retire. Outgoing members are eligible for re-election provided they have not reached 74 years of age by 1 January preceding election.

- Armagh 0 Ven Terence Scott, The Rectory, 1 Churchwell Lane, Magherafelt, Co Londonderry BT45 6AL (2015)*
4 Mrs Ethne Harkness, 134 Coagh Road, Stewartstown, Co Tyrone BT71 5LL (2016)
3 Mrs Jane Leighton, 14 Drumbeemore Road, Armagh BT60 1HP (2017)
- Clogher 3 Very Rev Bryan Kerr, The Deanery, 28 Church Street, Dromore, Co Down BT25 1AA (2015)
1 Mr William Allen, Aughnahinch, Newtownbutler, Co Fermanagh BT92 8LU (2016)
2 Mr John Keating, Kilturk West, Newtownbutler BT92 2BS, Co Fermanagh (2017)
- Derry and Raphoe 4 Rev Canon Henry Gilmore, The Rectory, Ramelton, Letterkenny, Co Donegal (2017)
3 Mr Robert Pollock, 77 Edenderry Road, Omagh, Co Tyrone BT79 0NP (2015)
4 Mr Sydney Gamble, 14 Spruce Road, Dysart, Strabane, Co Tyrone (2016)
- Down and Dromore 3 Ven Roderic West, The Rectory, 63 Lurgan Road, Banbridge, Co Down BT32 4LY (2015)
3 Mr Basil O'Malley, 182 Lurgan Road, Magheralin, Craigavon, Co Armagh BT67 0QP (2016)
2 Capt Colin Taylor, Dromara Rectory, 58 Banbridge Road, Dromara, Co Down BT25 2NE (2017)†
- Connor 2 Very Rev John Mann, The Deanery, 5 Deramore Drive, Belfast BT9 5JQ (2015)
2 Mr Robert Kay, 2 Brookvale Terrace, Portrush, Co Antrim BT56 8EY (2016)
1 Mrs Pauline High, 26 Ballyvannon Road, Glenavy, Co Antrim BT29 4QJ (2017)‡
- Kilmore, Elphin and Ardagh 1 Ven Ian Linton, The Rectory, Drumcliffé, Co Sligo (2017)§
2 Miss Maud Cunningham, Clonatumper, Florencecourt, Enniskillen, Co Fermanagh BT92 1BA (2015)
1 Mr Kenneth Davis, Aughafad, Longford (2016)
- Tuam, Killala and Achonry 3 Very Rev Alistair Grimason, The Deanery, Deanery Place, Cong, Co Mayo (2017)
2 Prof Paul Johnston, Luimnagh West, Corrandulla, Co Galway (2015)
3 Mr Julian Ellison, Ardagh Cottage, Newport, Co Mayo (2016)

* elected March 2015 in place of Ven Raymond Hoey (retired September 2014)

† elected June 2014 in place of Mr Trevor Douglas (retired June 2014)

‡ elected October 2014 in place of Mr John Wallace (retired October 2014)

§ elected October 2014 in place of Ven Craig McCauley (retired October 2014)

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Dublin and Glendalough	0 4 3	Ven David Pierpoint, The Vicarage, 30 Phibsborough Road, Dublin 7 (2015) Mr Robert Neill, Killegar Park, Enniskerry, Co Wicklow (2016) Mr Geoffrey Perrin, Barn Close, Ballybrack Road, Shankill, Co Dublin (2017)
Meath and Kildare	4 3 4	Ven Leslie Stevenson, The Rectory, Portarlinton, Co Laois (2015) Mr Ronald Colton, Highfield, Ballyduff, Tullamore, Co Offaly (2016) Mr Kevin Bowers, Springwood, 2 Narrowways, Bettystown, Co Meath (2017)
Cashel, Ferns and Ossory	1 3 1	Very Rev Katharine Poulton, The Deanery, Kilkenny (2017)* Mr Peter Clifton-Brown, Ballinamona House, Cashel, Co Tipperary (2015) Mrs Hazel Corrigan, Liscolman House, Tullow, Co Carlow (2016)†
Cork, Cloyne and Ross	1 4 3	Ven Adrian Wilkinson, The Rectory, Carrigaline Road, Douglas, Cork (2017)‡ Mr Keith Roberts, Corran, Ferney Road, Carrigaline, Co Cork (2015) Mr John Stanley, Scart House, Belgooly, Co Cork (2016)
Limerick and Killaloe	1 1 3	Rev Patricia McKee Hanna, Seafield Cottage, Quilty, Co Clare (2017)§ Mrs Lorna Gleasure, Phoenix Farm, Kilflynn, Tralee, Co Kerry (2015) Mr Roy Benson, Templehollow, Killaloe, Co Clare (2016)

C Co-opted Members (12)

- 2 Ven Andrew Forster, The Rectory, 26 Circular Road, Dungannon BT71 6BE, Co Tyrone (2017)¶
- 3 Mr Terence Forsyth, 3 Hainault Lawn, Dublin 18 (2016)
- 3 Mr Samuel Harper, Cramer's Grove, Kilkenny, Co Kilkenny (2017)¶
- 1 Mr Lyndon MacCann SC, 2 Knapton Terrace, Dun Laoghaire, Co Dublin (2015)
- 3 Mr Tim McCormick, 13 Ontario Terrace, Dublin 6 (2017)¶
- 1 Mr William Oliver, Exorna House, Castlerock, Co Londonderry BT51 4UA (2017)¶
- 2 Mrs Judith Peters, The Deanery, Rosscarbery, Co Cork (2016)
- 4 Ms Hilary Prentice, Wayside Cottage, Drummin West, Delgany, Co Wicklow (2015)
- 4 Canon Graham Richards, 32 St Alban's Park, Dublin 4 (2015)
- 4 Mr Henry Saville, 22 Church Road, Boardmills, Lisburn BT27 6UP (2015)
- 3 Mr David Smith, Knockleigha, Shaw's Bridge, Co Down BT8 8JS (2015)
- 4 Mr Michael Webb, 2 Mount Salus, Knocknacree Road, Dalkey, Co Dublin (2016)

The following co-opted members retire in May 2015:

Mr Lyndon MacCann SC	Canon Graham Richards	Mr David Smith
Ms Hilary Prentice	Mr Henry Saville	

Note Two Honorary Secretaries of the General Synod are in attendance at meetings of the Representative Body.

* elected October 2014 in place of Ven Christopher Long (retired October 2014)

† elected October 2014 in place of Mr Charles Galloway (retired October 2014)

‡ elected June 2014 in place of Ven Robin Bantry White (retired March 2014)

§ elected October 2014 in place of Rev Canon Robert Warren (retired October 2014)

¶ eligible to attend three meetings maximum due to triennial retirement as co-opted member (re-elected May 2014)

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COMMITTEES OF THE REPRESENTATIVE BODY

The Executive, Allocations, Investment, Property, Stipends, Library and Archives, Legal Advisory and Audit Committees are elected triennially from the members of the Representative Body. The current triennium for members and chairpersons ends in September 2016. Membership details, together with numbers of meetings held and record of attendances for the year 2014 are shown below.

EXECUTIVE COMMITTEE

7 meetings

Mr Robert Neill - 6
(Chair)



Mr Robert Neill

Most Rev Richard Clarke	6	Ven Andrew Forster	5
Most Rev Michael Jackson	6	Very Rev John Mann	6
Rt Rev Paul Colton	6	Rev Canon Henry Gilmore*	4
Canon Graham Richards	7	Mr Terence Forsyth	6
Mr Henry Saville	7	Mr Lyndon MacCann SC	5
Mr Robert Kay	4	Mr Geoffrey Perrin	6
Mr William Oliver	6	Mr Michael Webb	7

The Executive Committee has an overall responsibility to protect the interests of the Representative Body and its trusts, to consider and, if thought fit, to give approval to the recommendations of the subsidiary committees, to give formal approval to routine property and trust transactions, to formulate legislative proposals and policy for approval, to liaise with other central organisations and dioceses and to deal with all matters affecting the employment and remuneration of staff including specialist appointments where the Representative Body is a party to any contract of employment.

The Archbishops and the Chairpersons of the Allocations, Investment, Property and Stipends Committees are *ex officio* members of the Executive Committee. Mr Samuel Harper attends Executive Committee meetings as an Honorary Secretary of the General Synod.

Prayer read at the commencement of all Executive Committee meetings

“Almighty God, we meet in your presence to exercise stewardship of the resources of this Church. Grant to us a clear mind and judgement in all things, a willingness to seek your will for the Church and an awareness of the trust and responsibility given to us. Guide us with your wisdom and lead us in the paths of truth. This we ask through Jesus Christ, our Lord. Amen.”

* elected May 2014 in place of Ven Robin Bantry White (retired March 2014)



Canon Graham Richards

ALLOCATIONS COMMITTEE

3 meetings

Canon Graham Richards - 3
(Chair)

Most Rev Richard Clarke	3	Ven Andrew Forster	3
Mr Kenneth Davis	2	Mr John Stanley	3

The function of the Allocations Committee is to investigate requests for financial support and make recommendations to the Executive Committee or the Representative Body as appropriate, to maintain a ‘watching brief’ on the use and deployment of resources allocated to committees and organisations including their budgetary procedures and accounting policies, to anticipate financial pressures ahead and plan forward accordingly, to ensure that trust limitations are observed in the use of Representative Body funds and to co-ordinate with other financial bodies (Priorities Fund Committee, Investment Committee, Stipends Committee, Pensions Board etc).



Mr Henry Saville

INVESTMENT COMMITTEE

6 meetings

Mr Henry Saville - 6
(Chair)

Mr Roy Benson	6	Ms Hilary Prentice	6
Mr Terence Forsyth	6	Mr David Smith	5
Mr Tim McCormick	5	Mr John Wallace*	4

The function of the Investment Committee is to oversee the invested funds of the Representative Body and other funds held in trust, to monitor portfolio and investment management performance, to maintain an appropriate level of reserves, to formulate lending policies and approve parochial and glebe loan applications, to advise with regard to investment policy and strategy and generally report to the Executive Committee or to the Representative Body as appropriate.

* retired October 2014 and replaced by Kevin Bowers in December 2014

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PROPERTY COMMITTEE

5 meetings

Mr Robert Kay - 5
(Chair)



Mr Robert Kay

Mr William Allen	4	Mrs Jane Leighton	3
Mr Peter Clifton-Brown	4	Mr Keith Roberts	5
Mr Ronald Colton	4	Rev Canon Robert Warren*	3
Miss Maud Cunningham	5	Ven Roderic West†	1

The function of the Property Committee is to process all matters affecting glebes, churches, parochial buildings and graveyards vested in the Representative Body in accordance with statutory responsibilities as laid down in the *Constitution of the Church of Ireland*, to manage the buildings directly under the control of the Representative Body, to co-ordinate with diocesan see house committees and care for see houses and all residences provided for the use of church officers, to care for all properties assigned by the Representative Body for the use and occupation of retired clergy and surviving spouses, to assist and provide guidance in the planning and disposal of redundant churches and the contents thereof, to provide technical support and advice to parishes and dioceses, to maintain property records and registers and generally to report to the Executive Committee or to the Representative Body as appropriate.

Note: Representatives of the dioceses who are members of the Representative Body are entitled to attend meetings of the Property Committee when relevant diocesan property matters are under consideration.

STIPENDS COMMITTEE

2 meetings

Mr William Oliver - 2
(Chair)



Mr William Oliver

Mr Kevin Bowers	2	Very Rev Bryan Kerr	2
Rt Rev Paul Colton	2	Mrs Jane Leighton	1
Mrs Lorna Gleasure	1	Mr Geoffrey Perrin	2
Prof Paul Johnston	0	Ven David Pierpoint	1

The function of the Stipends Committee is to make recommendations concerning Minimum Approved Stipends, mileage rates for locomotory expenses, and the remuneration, expenses and budgets for the episcopate and other church officers, to monitor changes in taxation and State legislation insofar as clerical remuneration matters are concerned, to investigate and make recommendations in relation to grant aid requests from dioceses for the support of the Ministry and the training of newly ordained clergy, to consult with dioceses and make recommendations to provide for the better maintenance of the Ministry generally, to monitor and report on the implementation of the recommendations of the Clergy Remuneration and Benefits Committee as approved by General Synod in 1990 and report to the Executive Committee or to the Representative Body as appropriate.

* retired October 2014 and replaced by Mr Julian Ellison in December 2014

† elected September 2014 in place of Mr Trevor Douglas (retired June 2014)

LIBRARY AND ARCHIVES COMMITTEE



Mr Michael Webb

3 meetings

Mr Michael Webb - 3
(Chair)

Prof Paul Johnston*	2	Very Rev John Mann	0
Rt Rev John McDowell	3	Rt Rev Patrick Rooke	2
Advisory Members	–	Mrs Valerie Coghlan	0
		– Rev Dr Maurice Elliott	2
		– Rev Dr Adrian Empey	3
		– Dr Kenneth Milne	3
		– Ven Robin Bantry White	3

The function of the Library and Archives Committee is to manage the RCB Library and its resources having regard to trusts and objectives, to maintain archives and Church records generally (including records of contents of churches and of church plate), to cooperate with the Theological Institute and Committees using the Library premises and to provide a cost-effective service to the Church and the public at large subject to the approval of the Executive Committee or the Representative Body as appropriate and budget limitations.



Mr Lyndon MacCann

LEGAL ADVISORY COMMITTEE

0 meetings

Mr Lyndon MacCann SC
(Chair)

Mr Anthony Aston SC	Mrs Judith Peters
His Honour Judge Gerard Buchanan	Mr Andrew Walker
The Hon Mr Justice Declan Budd	Mr John Wilson QC

The function of the Legal Advisory Committee is to advise the Representative Body on any legal or trust matter which the Executive Committee or the Representative Body may properly refer to it.

* elected May 2014 in place of Ven Robin Bantry White (retired March 2014)

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AUDIT COMMITTEE

3 meetings

Mr Henry Saville - 3
(Chair)



Mr Henry Saville

Mr Roy Benson	3	Ms Hilary Prentice	3
Mr Robert Pollock	2		

The Audit Committee's primary function is to assist the Representative Body in fulfilling its oversight responsibilities by reviewing the financial statements, the systems of internal control, the audit process and the risk register. The Committee meets twice yearly with the auditors, PricewaterhouseCoopers, to review the scope of the audit programme prior to audit, the outcomes for the year when the audit is completed and any issues arising from the audit. The Committee reviews the risk register annually.

INTRODUCTION

The Representative Church Body

The RCB was established in 1870 to act as Trustee for the Church of Ireland. It is entrusted with the management of material property for the general benefit of the Church, under the guidance of an incorporated body of the bishops and Church members elected by the dioceses for that purpose, responsible to General Synod.

The Representative Church Body (RCB) reports to General Synod each year on the performance of its responsibility as Trustee over the previous twelve month period, highlighting issues arising of most relevance to the wider Church.

The General Funds of the Church of Ireland

The trustee responsibility for properties and financial trusts is a critical function of the RCB. This responsibility is undertaken in the overall context of the need to optimise the management of these trust obligations in support of the present and future ministry of the Church. The preservation of capability for the future is critical, as is the imperative to ensure that in more difficult financial times volatility in financial fortunes can be smoothed without unnecessary detriment to the delivery of ministry in the present day.

For these reasons the RCB manages the invested assets which represent the General Funds of the Church taking a view over the long term, gauging future returns on the long-term historic experience. Strong positive investment returns in the last three years have enabled the year end Balance Sheet value of General Funds to return to its 15-year average at the end of 2014, while the transfer of €25m in capital value to the Clergy Pensions Fund (CPF) has also been completed. The transfer of capital to the CPF, together with its future growth potential, supports the solvency of the CPF while removing for the future a significant annual charge on General Funds. The removal of most of this annual charge accounts for half of the 33% reduction in allocations to the wider Church since 2008.

The balance of the reduction in Allocations has been due to real cost cuts, and these would have had to be more stringent without the smoothing effect enabled by the RCB long-term view of asset management. As the Balance Sheet has been recovering from the shock of the financial downturn, the withdrawal rate from the Fund to meet annual costs has exceeded the long-term expected return achievable from the invested assets. Entering 2015, withdrawal and Balance Sheet value are moving back to long-term sustainable levels, although as always the continued success of the return to stability will be influenced by the wider world economic environment.

The detail of the performance of General Funds assets is shown in Appendix B (page 88).

RB Unit Trusts (NI) and (RI)

The Unit Trusts provide a method for parishes and dioceses to invest for growth as well as for income in a diversified charitable investment vehicle, managed and run for the benefit of the Church. General Synod stipulates how capital arising from the sale of

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churches and rectories is disposed, otherwise all assets are managed according to their individual memorandum of trust, through their local trustees. The RCB is a Church of Ireland charity, and is and will be recognised as such by the charity regulatory bodies in Northern Ireland and the Republic of Ireland, as it owes direct allegiance to and is governed by General Synod and by the *Constitution of the Church of Ireland*, under which it is established.

The returns from both unit trusts over the years since inception have provided for the Church an invaluable resource in terms of annual distributions, while value has been maintained. Distributions to unit holders over the five years to 2014 have totalled just under €40m, and this has helped to sustain the work of the Church in the dioceses and parishes. Over the same period the value of invested fund assets has grown by €68m or 38%.

Investment in the unit trusts of capital earmarked for utilisation in the short term is not generally recommended, as asset values can be volatile, and the advantage in terms of income and capital maintenance against inflation is best obtained over the longer term.

Details of annualised fund returns for the RB General Unit Trusts (NI) and (RI) are included in Appendix B (page 88).

Support for Long-Term Church

In 2014 work has been done in support of the Long-Term Church initiative launched at General Synod 2014 by the Primate. Two examples of projects being undertaken as part of this initiative are shown below.

Church Property and Charities

Most Church property is vested in the RCB. This has, over many years, provided consistency and stability of record and management. As the requirements being placed on Trustees generally and under charities regulation become more exacting in Northern Ireland and in the Republic of Ireland, the RCB is transferring its property records to an electronic database and confirming details with the dioceses and parishes. This centralised electronic database will be invaluable in future in supporting strategic property management and accurate and speedy record retrieval for legal and compliance purposes.

HR policies and procedures

A project team in Church House, with the aid of an HR development consultant, has been developing a number of draft policies for the Church, under the aegis of the House of Bishops. The principle of introducing these on a Church-wide basis will be brought to General Synod in 2015 and, if the principle is accepted, they will be introduced in 2016 as tools to support the consistent and equitable application of Christian principles in Church relationships.

Clergy Pensions

The assets of the Clergy Pensions Fund at the end of 2014 were valued at €164m (2013 €141m), an increase of €23m and 16.3% in the year. The Fund closed to new members and to future accruals in 2013, and will provide pensions in respect of service accumulated to 31 May of that year. Funding is provided through a diocesan levy of 13% of Minimum Approved Stipend for each recognised office in the diocese.

The detailed report of the Trustee to the Clergy Pensions Fund is set out in Appendix E (page 96).

Legislation is expected to be brought to General Synod in 2015 to revise, amend and consolidate Chapter XIV of the *Constitution of the Church of Ireland* in light of the changes made to the Fund in 2013.

The reports of the Trustees to the clergy defined contribution schemes, established on 1 June 2013 for all future pension accrual for serving stipendiary clergy, are set out in Appendix G on page 150.

Retirement Age of Clergy

The Representative Body in 2014 submitted to the Standing Committee a paper entitled ‘Retirement Age of Clergy’, setting out sound and objective reasons for maintaining a compulsory retirement age for clergy in the context of Europe-wide equality legislation. The paper was adopted and is included as Appendix P to the report of the Standing Committee.

Acknowledgements

The membership of the RCB and its committees comprises clergy and lay volunteers who give greatly of their time and expertise and without whom the work of the RCB could not be achieved.

They are supported by the staff in Church House Dublin and Belfast, and in the RCB Library, and their dedication is much valued by the Representative Body.

Reserve policy

The RCB’s long-term view of invested asset management, using a tool which measures the Total Return achieved, allows for the smoothing of expenditure levels to ensure that sudden movements in a volatile investment market will not be reflected by sharp movements up or down in expenditure levels. Outperformance or underperformance in any year against the long-term trend is managed by reinvesting surplus or by realising assets if necessary to sustain essential spend.

For this reason the Allocations Reserve, maintained in the past to cope with such fluctuations, may now as planned be reinvested during 2015 in the main General Fund.

FINANCIAL AND OPERATIONAL REVIEW 2014

The accounts of the Representative Church Body commence on page 52.

- **Commentary**

- A) The Statement of Financial Activities (SoFA) of the Representative Church Body is shown on page 62.

The SoFA shows the income and expenditure, investment and currency gains and losses, and capital receipts or withdrawals of funds for which the RCB is responsible, for 2014 and the prior year. The SoFA layout shows the income generated from General Funds (GF) and Parish, Diocesan and Other Trust Funds along with the costs of operations and distributions which support the wider Church.

The column showing RCB activities includes the central service, trustee and governance costs of the RCB. In the GF column these costs represent the charge out of costs from the RCB to GF, investment and currency gains and losses and the opening and closing value of funds.

The Parochial, Diocesan and Other Trust Funds column shows the income and expenditure relating to trusts, cash managed for the wider Church, Gift Aid claimed for and repaid to parishes, investment and currency gains and losses and opening and closing value of the funds.

RCB activities and General Funds

General Funds increased in value by €11.88m to €173.3m. This was due to a strong performance by invested assets, which was partly offset by a net decrease in resources of €5.2m attributable mainly to the final transfer of €5m to the Clergy Pensions Fund.

Incoming resources

Total income of €6.59m shows an increase on the prior year of €0.48m (2013: €6.12m). Investment income of €5.80m shows an increase of €0.26m on the prior year. Investment income in 2014 benefited from a once-off gain due to a special dividend of €0.25m and a strengthening in the sterling rate of exchange. These gains have been offset by lower bond yields and a reduction in equity risk exposure. Reserve income has increased by €0.18m to €0.31m due to the investment in a high yielding bond.

Resources expended

Expenditure for 2014 shown in the SoFA is analysed in greater detail on page 73 (Note 5).

The cost of generating funds includes payroll costs of investment management, legal and accounting services (including services made available to the wider Church), external fund management costs and allocated overheads.

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Charitable activities costs include payroll and allocated overheads charged to trust and property management, communications, education and the RCB Library.

Governance costs include payroll and allocated overhead costs to support General Synod, central committee expenses and episcopal electoral expenses.

Other operating costs are those relating to professional fees and pension payments for retired staff.

Total costs of operations of €3.37m shows an increase of €0.13m on the prior year (2013: €3.24m). The increase in costs of operations relates to a substantial increase in municipal rates paid in respect of Church House Dublin, and a decline in the charge-out of legal services in respect of property transactions.

A significant portion of other costs of operations is represented by actuarial and consultancy costs relating to clergy pensions. Costs are down on the prior year by €0.05m.

The total of resources expended which are chargeable against GF has increased year on year by €0.11m (4.3%).

Allocations expended

Allocations expended in the year of €3.97m shows a marginal increase on the prior year. 2013 benefited from a significant unexpended allocation of €0.40m. 2014 saw a marginal overspend on allocations budgeted of €0.02m. The Allocations Committee is grateful for the continuing spending restraint shown by committees.

Special pension contributions and charges

Total support from RCB funds to the Clergy Pensions Fund (CPF) in 2014 was €5.22m of which €5m was transferred from GF and the balance was provided through Allocations. Capital assets totalling €25m have been transferred from GF to the CPF over a 5-year period (2010 to 2014). The final special €5m transfer to the CPF was made during 2014.

General Funds gains and losses

General Funds (GF) results for the year shown in the SoFA sees the total value of GF increasing by €11.88m (7.4%) to €173.32m (2013: €161.44). This increase is accounted for by unrealised gains of €6.41m on investment revaluations, realised gains of €8.57m on sale of investments and €2.06m due to beneficial rates of exchange at year end. These gains were offset by a decrease in resources of €5.16m. During the year €5.35m was transferred from GF to support the solvency of the clergy (€5.00m) and staff (€0.35m) defined benefit pension funds.

Parish, diocesan and other trust funds gains and losses

Incoming resources in relation to the RB General Unit Trusts are represented by investment income, deposit income and Gift Aid refunded. All incoming resources, net of expenses arising, are disbursed to parishes and dioceses. Total funds have increased by €29.99m (12.02%) to €279.45m (2013: €249.47m). This increase is accounted for by unrealised gains of €25.15m on investment revaluations, realised gains of €0.19m on sale of investments and €3.97m due to stronger sterling values at year end. Net capital inflows amounted to €0.68m (2013: €4.28m inflow).

B) Balance Sheets

The net assets shown in the Balance Sheets (page 64) belong to three separate fund groupings.

- RCB activities are the assets and liabilities which are used in the performance of services by central Church staff. The net current balance on these is offset against General Funds.
- General Funds are the funds available for the operating expense of the RCB and for funding Allocations. Total fund values increased by €11.88m to €173.32m as detailed above in General Funds.
- Parish, Diocesan and Other Trust funds investments and deposits income shown in the SoFA belongs to parishes, dioceses and sundry Church of Ireland trusts. Total fund values increased by €29.99m to €279.45m as detailed above in Parish, Diocese and Other Trust Funds.

• Allocations (page 62)

Allocations budgeted for 2015 are provided for in 2014 as a reserve and will be drawn down in 2015. The amount provided is €3.98m and is gross of subventions. A detailed table of the 2015 budget is available on page 21. Allocations has been supported by a subvention from the Stipends Fund of €112,878 (2013: €62,045). The Allocations Committee is most grateful to the Stipends Committee for this valuable support.

• Total Return

The RCB uses a tool measuring Total Return for managing withdrawals from General Funds. This sets a long-term sustainable return of 4%, with a target withdrawal of 3.5% of fund value, allowing for 0.5% asset growth. 2014 saw invested fund assets net of financial instruments outperform this target, with a real increase in value of 7.4%. This was despite supporting the cost of operations, allocations and transfers to the clergy and staff pension funds.

Withdrawals in the year exceeded the long-term sustainable return by €315,000. The projected withdrawal for 2015 is 4% of the five year average of fund values.

Staff pension scheme

At year end the actuaries to the staff pension scheme assess the solvency of the scheme on a discontinuance basis and the results are set out in detail in Note 11. This shows that at 31 December 2014, while the scheme remained in deficit, the amount of the deficit decreased by €0.35m to €4.16m. This deficit is shown as a long-term liability in the Balance Sheet. Amongst the assumptions which have the most significant impact on the results is the discount rate. The discount rate is based on the market yield at the valuation date of high quality corporate bonds. For FRS17 the 2014 discount rate was set at 2.15% against the 2013 rate of 3.8%.

• **Currency translation rates**

Year end sterling balances have been translated into euro a rate of €1 = £0.7765 or £1 = €1.288 (2013: €1 = £0.8302 or £1 = €1.204).

ALLOCATIONS BUDGET PROVIDED FOR 2015

Allocations provide financial support for Church-wide activities. The detailed allocations analysis for 2015 with 2014 comparisons is provided overleaf. The table shows the net amounts to be allocated after taking into account income from endowment funds, the episcopal levy, the child protection levy and any other sources of funding which offset the costs of financing ministry and other central commitments.

The summary position of 2015 allocations budget is set out below and is net of subventions. Sterling balances have been exchanged at 0.7765 for 2015 budget and 2014 comparisons.

	2015		2014	
	€	%	€	%
A - Maintenance of the Stipendiary Ministry	1,319,788	34.2	1,253,455	32.7
B - Pension related costs	138,645	3.6	207,474	5.4
C - Training of ordinands	1,400,120	36.2	1,383,130	36.1
D - General Synod Activities	1,002,822	25.9	982,298	25.7
E - Miscellaneous	5,500	0.1	5,500	0.1
	<hr/>		<hr/>	
	3,866,875		3,831,857	

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2015 ALLOCATIONS BUDGET

	2015	2014	2015	2014
	€	€	£	£
GROUP A				
Episcopal Stipends and Expenses	1,188,164	1,121,834	623,049	615,659
<i>less</i> Episcopal Levy	(463,748)	(461,358)	(454,453)	(447,306)
	<u>724,416</u>	<u>660,476</u>	<u>168,596</u>	<u>168,353</u>
Deans of Residences/University Chaplains	90,323	90,323	127,240	125,307
Queen’s University, Belfast, Bursar	-	-	15,077	14,631
C of I in Queen’s University, Belfast	-	-	2,000	2,000
C of I in Trinity College, Dublin	3,000	3,000	-	0
Clerical Relief - Children’s Allowances	33,000	33,000	30,000	33,000
- Discretionary Grants	4,000	4,000	3,000	3,000
Stipends Related Costs	15,572	15,692	-	-
St Patrick’s Cathedral, Dublin	1,000	1,000	-	-
	<u>874,311</u>	<u>807,491</u>	<u>345,913</u>	<u>346,291</u>
GROUP B				
Clergy Pensions Fund	50,000	99,776	41,500	95,150
Central Church Fund				
- Augment Clergy Pension				
Supplemental Fund Benefits	-	(50,000)	-	-
- Retired Clergy, Surviving Spouses	6,481	6,481	800	770
Discretionary Grants				
- Retired Clergy	-	-	13,000	13,000
- Surviving Spouses	-	-	8,500	8,500
	<u>56,481</u>	<u>56,257</u>	<u>63,800</u>	<u>117,420</u>
GROUP C				
Training of Ordinands	692,998	629,508	-	-
Theological Institute	790,000	786,500	-	-
Ministry formation project	5,000	5,000	-	-
Stipends Fund	(100,000)	(50,000)	(10,000)	(10,000)
Bishops’ Selection Conference	25,000	25,000	-	-
	<u>1,412,998</u>	<u>1,396,008</u>	<u>(10,000)</u>	<u>(10,000)</u>
GROUP D				
General Synod/Standing Committee	359,567	364,897	217,335	199,039
Royalties Fund	-	-	-	-
Board of Education	36,394	35,251	88,031	87,159
Church of Ireland Youth Department	-	-	145,000	145,000
Child Protection Officers	11,000	11,000	12,300	12,300
	<u>406,961</u>	<u>411,148</u>	<u>462,666</u>	<u>443,498</u>
GROUP E				
RCB Library	5,000	5,000	-	-
Regular Sunday Services in Irish	500	500	-	-
	<u>5,500</u>	<u>5,500</u>	<u>-</u>	<u>-</u>
	<u>2,756,251</u>	<u>2,676,404</u>	<u>862,379</u>	<u>897,209</u>

- **Commentary**

Group A - Maintenance of the stipendiary ministry - €1,319,788

The total cost of Group A is budgeted at €1,319,788 and is the cost relating to financing the episcopacy, university chaplaincy, clerical grants and stipends related costs.

The cost of financing the episcopacy is the largest part of this allocation. The episcopal costs are shared on a percentage basis between central Church and dioceses. Dioceses contribute to episcopal costs through the episcopal levy, which is calculated based on the number of cures multiplied by a percentage of Minimum Approved Stipend (MAS). Episcopal costs include stipend, pension, state taxes, travel costs, office and administration costs and financing cost of see houses.

The total gross episcopal costs are budgeted for 2015 at €2.00m (2014: €1.92m). The episcopal costs net of episcopal levy contributions are budgeted at €0.94m or 71% of Group A costs (2014: €0.86m or 75%). The episcopal levy for 2015 is set at 6.6% of MAS and remains unchanged from 2014. The episcopal levy for 2015 is budgeted to contribute €1.05m or 52% (2014: €1.04m or 53.8%) of the total episcopal costs. The cost per cure for 2015 is €1,803 and €2,390 (2014: €1,768 and €2,390). A more detailed breakdown of episcopal costs is shown on page 27.

Other amounts included in Group A support university deans of residence and child and discretionary allowances paid to clergy.

Group B - Pension related costs - €138,644

The total cost of Group B is budgeted at €138,644 and is made up of Clergy Pensions Fund (CPF) costs and discretionary grants to retired clergy and spouses.

Total support through allocations to the CPF for 2015 is budgeted at €100k. This represents the amount committed annually to the CPF as part of the long-term funding proposal to restore the solvency of the Fund over a 10-year period to 2023.

Group C – Training of ordinands - €1,400,119

Total costs budgeted for Group C represent the costs of training for the ministry. These costs include the running costs of the Theological Institute, training of ordinands costs and the cost of the selection process for entering training.

The total budgeted for 2015 shows an increase of €0.02m to €1.40m on the 2014 budget of €1.38m. This increase is due to higher student numbers and higher intern costs relating to accommodation and travel. These increased costs have been offset by an increase in subvention received from the Stipends Fund.

The training of ordinands includes the cost of student grants, student accommodation, fees paid to Trinity College Dublin and external lecturer fees. Married students in 2014/15 receive a personal grant of €7,700 and single student's grant is €6,000.

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Accommodation grants and travel allowances are provided to students in their final intern year. The total costs of this sub-section are budgeted at €692,998 (2014: €629,508). For the academic year 2014/15 total student numbers are 35 ordinands in full-time training and 19 in part-time training.

The cost category Theological Institute includes the costs of running the Institute and includes academic, administration and facilities costs. The total budgeted for the academic year 2015/16 is €790,000 (2014/15: €786,500).

Extracts from the accounts of the Church of Ireland Theological Institute for the year ended 30 June 2014 are included as Appendix A (page 86).

Group D - General Synod activities - €1,002,822

The General Synod budget of €1,002,822 is made up of costs relating to General Synod and the Standing Committee, the Boards of Education, the Church of Ireland Youth Department and the centrally funded portion of the Child Protection Officers.

The total shows an increase on 2014 of €57k, largely relating to currency rate fluctuations which impact on the conversion of sterling costs.

The cost of the Board of Education in the Republic of Ireland and the Church of Ireland Youth Department are supported by grants from the Irish government. The RCB on behalf of the Church of Ireland wishes to record its gratitude for this support.

Group E - Miscellaneous - €5,500

The total cost of Group E is €5,500 and represents a small allocation of €5,000 to allow for conservation work at the RCB Library. €500 is provided for the maintenance of the Irish language as part of regular Church of Ireland worship.

INVESTMENTS AND MARKETS

• Economic Backdrop

In global terms growth was disappointing in 2014 but was sufficient to reduce unemployment in the US and Europe. The growth engine of emerging markets decelerated while the Eurozone economy struggled. However, the US, UK and Ireland demonstrated more vigour despite the continuing headwinds from fiscal restraint. The apparent absence of any inflation pressure has emboldened Central Banks to further use Quantitative Easing ('QE') to try and stimulate growth, despite its unproven efficacy with regard to the real economy (as opposed to financial markets, see below).

• Equity Markets

A positive technical bias was maintained in 2014 as zero deposit rates and near zero bond yields encouraged buying of risk assets. Overall returns, for euro based funds, were somewhat flattered by dollar (+13%) and sterling (+6.5%) strength against the

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single currency. The US continued its multi-year outperformance versus Europe, thus further exacerbating the valuation gap between the US and the rest of the world. Major sectors such as energy and materials suffered reversals due to declining commodity prices while healthcare and technology sectors did well.

- **Bond Markets**

The returns from bond markets in the year were exceptionally strong, as European growth prospects faded, eliciting a multi-year zero interest rate policy and a Eurozone QE policy of bond purchases. This delivered total returns of 11% for the broad Eurozone combined debt market and 14% in Irish government bonds. Yields on benchmark 10-year bonds in Germany and Ireland set new all-time lows, falling from 1.9% to 0.5% and 3.5% to 1.2% respectively.

- **Changes to Portfolios in 2014**

In response to a further stretch in valuations of conventional assets, notably bonds but also equities, ongoing diversification took place. In general, investments in real assets were favoured including REITs (Real Estate Investment Trusts), renewable energy and other income generative assets.

- **General Funds Performance 2014**

Total return for the year was 15.3% versus a benchmark of 15.2%. This outturn was achieved despite a lower risk profile in equities (c.50% exposure on average versus a benchmark of 70%). Of note, the bond portfolio (c.30% of total fund) produced a return of 25.5% versus a benchmark return of 16.0%.

- **Unit Trusts**

The Unit Trusts delivered strong returns both on an absolute and relative basis over the year. The RB General Unit Trust (RI) had a Total Return for the year of 17.8% versus a benchmark of 15.2% and the RB General Unit Trust (NI) had a total return of 9.6% versus a benchmark of 9.3%. Again, in the context of a lower risk profile in equities relative to the benchmark this represents a very good outturn.

US equities continued to outperform their European and UK counterparts and increased exposure to US equities over the past number of years has contributed to performance. Relative valuations in the US now appear somewhat stretched especially in the context of a strong dollar. Property investments held for the funds also contributed with a Total Return from Irish Property Unit Trust (IPUT), held for both Unit Trusts, of 33.8% for the full year and the position in Property Income Trust for Charities (PITCH), held for RB General Unit Trust (NI) showing 16.7%.

Distribution rates for the RB General Unit Trust (RI) and the RB General Unit Trust (NI) were unchanged on the previous year. The distribution yields to parishes at 31 December were 3.3% for NI and 3.1% for RI.

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The financial statements for the RB General Unit Trusts (NI) and (RI) for the year ended 30 June 2014 are set out in Appendix D (page 91).

- **Clergy Pensions Fund**

In conjunction with the Trustee, the process of moving towards a balanced and matched strategy (in line with liabilities) is ongoing whilst being mindful that bond yields have tightened considerably and opportunities are limited. The diversification strategy being employed for other RCB funds is also being applied (where possible and within the confines of the Funding Proposal) to the CPF, including a small exposure to alternative assets and other income generative assets with fixed income-like characteristics. An active approach is taken to seek out opportunities within the agreed high level asset allocation. For example the benchmark was changed in early 2014 to include an exposure to Irish government bonds and a direct investment was made in Bank of Ireland Preference Stock. The majority of the Fund (85%) continues to be managed on a passive basis with Irish Life Investment Managers.

The Clergy Pensions Fund had a Total Return of 19.0% for 2014 well ahead of the passive benchmark at 16.0%.

- **Fund Valuations and Performances**

Valuations of the various portfolios as at 31 December 2014 along with three- and five-year fund performance figures are included as Appendix B (page 88).

- **Socially Responsible Investment (SRI) Review**

In 2014, the Investment Committee monitored and carried out its annual SRI assessment of individual stock holdings within the various portfolios and reported to the Representative Body in December that it was satisfied that the investment managers remain sensitive to the Church's concerns and expectations with regard to ethical and socially responsible investment. A revised policy statement with a focus on Environmental, Social and Governance issues (ESG) was approved by the Representative Body in March 2015. This Report aims to adopt a more positive approach to ESG issues and is included as Appendix C (page 89).

- **Outlook for 2015**

Returns from financial markets have been exceptionally strong over the last five years, illustrated by a more than tripling of the S&P 500, the world's bellwether index. The performance of assets has clearly been linked to the injections of liquidity from various Quantitative Easing (QE) programmes, hence the heightened attention to central banks and their key decision makers. The main impact for the real economy would appear to be via the exchange rate; the Euro was trading close to \$1.40 before the ECB's vocalisation of a QE programme. The resulting asset price inflation makes the allocation of assets more problematic. The long-term risk of holding bonds is now significant; while current official measures of inflation are

close to zero historical precedent points to an eventual inflationary environment as a result of monetary debasement. Prospects for established businesses throwing off strong cash flow are positive in an environment of zero interest rates. Continued diversification and a preference for real assets are being pursued.

CLERGY REMUNERATION AND BENEFITS

• **Minimum Approved Stipends (MAS) 2015**

Legislation passed by the General Synod in 2011 amending Section 51 (1) of Chapter IV has enabled the Standing Committee to determine levels of MAS annually on behalf of the General Synod. As a consequence the timing of the annual MAS review process now allows for up-to-date economic data, conditions, earnings trends and indices at 30 June to be taken into account when levels of MAS for the following year are being determined in September.

In considering MAS levels the Stipends Committee takes into account movements in inflation and general earnings levels and the ability of parishes in both jurisdictions to pay.

Republic of Ireland – Nationally, non-incremental average earnings remained largely flat with minimal reports of salary increase in certain private sector employments. The Consumer Price Index (CPI) data for the period of negative inflation towards the end of the noughties is now prior to the data taken for the normal five year cumulative CPI. Inflation for the six year period to 30 June 2014 is 1.1%, while the figure for the normal five year period, at 6.41%, is distorted by the bounce back following the period of negative inflation in 2009.

Northern Ireland – Inflation showed a slow decline in the twelve month period to 30 June 2014 with CPI at 1.9% (30 June 2013: 2.9%) and the average twelve monthly inflationary figure at 2.1% (2013: 2.6%) bearing this out. Notwithstanding inflationary movements the annual earnings trends in the UK are positive with the average five year cumulative earnings increase to 30 June 2014 estimated at 7.6% compared to a 5.06% cumulative increase in the Northern Ireland MAS. The five year cumulative Consumer Price Index (CPI) for the same period is 15.05%.

The Stipends Committee, in arriving at the recommendation of the Republic of Ireland MAS for 2015, felt that some emphasis must be taken on the profound affect that the non-inclusion of the 2009 negative inflation (-5.0%) had on the five year cumulative CPI. Combined with the ongoing trend in non-incremental earnings nationally and marginal movement in inflation for the twelve month period to 30 June 2014, it was concluded that no increase in the Republic of Ireland MAS be recommended for 2015.

With increases in UK earnings and for similar Church organisations it is, as stated in 2013, essential that a lag in MAS over other earning comparators be avoided. It was therefore agreed to recommend a 2% increase in the Northern Ireland MAS for 2015. The Standing Committee agreed the Representative Body's recommendation that the rate of Minimum Approved Stipends for 2015 in the case of the Republic of Ireland remain

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unchanged from 2014 and be increased by 2% in Northern Ireland. Consequently, levels of Minimum Approved Stipend for 2015 are:

	2015	2014
Northern Ireland	£27,324	£26,788
Republic of Ireland	€36,219	€36,219

• Episcopal costs

The breakdown of total episcopal costs is summarised as follows:

	Republic of Ireland		Northern Ireland	
	€	€	£	£
	2015	2014	2015	2014
(1) Stipends together with state insurance costs	493,517	491,340	288,355	278,724
(2) Pension costs	106,212	99,874	56,042	54,942
(3) Offices of the Sees expenses	322,535	325,570	178,142	176,891
(4) See Houses and other costs	384,069	350,575	156,351	163,493
Totals (gross)	1,306,333	1,267,359	678,890	674,050
(5) Less endowment income	(145,743)	(172,615)	(34,408)	(35,258)
Totals (net of income)	1,160,590	1,094,744	644,482	638,792

Note: Amounts are denominated in the currency relating to the jurisdiction of the See. For allocations purposes, amounts are denominated in the currency in which expenditure will occur.

Notes relating to the figures above:

- (1) Gross stipend and employer's state insurance contribution.
(ie costs that relate to the bishops on a personal basis)

Stipends are multiples of Minimum Approved Stipends as follows:

Archbishop of Armagh	2.45
Archbishop of Dublin	2.25
All Bishops	1.75

- (2) Contributions towards episcopal pensions.
- (3) Secretarial and office services and allowances relating to expenses of travel and hospitality.
(ie costs that relate to the running of the office of the See)
- (4) Heating, grounds and house maintenance, insurance and service charges, secretary to the House of Bishops.
(ie property maintenance and other costs that are shared across all the Episcopacies)
- (5) Income from investments and rent of See House lands.

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- **Locomotory Allowances 2015**

The approved locomotory allowances for 2015 are based on public service rates for Northern Ireland applicable as at 1 April 2010 and Revenue approved civil service rates for the Republic of Ireland as at 1 July 2008, as follows:

		Northern Ireland
Per mile:	first 8,500 miles	65.00p
	over 8,500 miles	16.40p
		Republic of Ireland
Per km:	first 6,437 km	78.76c
	over 6,437 km	37.94c

Locomotory allowances have historically been benchmarked against civil service rates of allowances in the Republic of Ireland and public service rates in Northern Ireland.

As reported to the General Synod in 2010, the Government in the Republic of Ireland significantly reduced the civil service rates of allowances in 2009. However, in view of the extent to which the locomotory allowance forms part of the total remuneration package for clergy, it was agreed in 2009 that the rate should remain at the rate applicable prior to the reduction in civil service rates. Each year since 2010 it has been agreed to maintain this same locomotory allowance rate for the preceding year despite civil service rates remaining at their reduced level.

The Northern Ireland public service rates applicable from 1 April 2010 continue to remain in place as the National Employers for Local Government have not published revised rates. In view of the ongoing freeze in rates it was agreed by the Representative Body that the rates applicable from 1 January 2015 should remain the same as those adopted for 2014.

- **Children’s Allowances 2014/2015**

The Children’s Allowances Scheme is designed to assist clergy and surviving spouses with the cost of secondary school education or higher level education leading to primary qualifications including certificate, diploma and degree.

Grants are paid on a *per capita* basis, without any form of means test, in respect of each child as follows:

	Academic year starting 1 September 2014	
	Republic of Ireland	Northern Ireland
Over 11 attending secondary school	€600	£100
Third level students (up to age 23)	€300	£400
Eligible orphans	€600	£400

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Grants may be paid in respect of a child under 11 years of age where that child is in residence at a boarding school or, in exceptional cases, in respect of a student who may be over age 23. In either case, grants are at the sole discretion of the Representative Body.

Grants are also available from other sources eg Clergy Daughters, Secondary Education Committee (Republic of Ireland only), Clergy Sons and Jubilee Fund (both under the management of Protestant Aid).

- **Clergy Car Loans**

Car loans for clergy are available from the Representative Body in accordance with the following formula, linked to the statutory Minimum Approved Stipend (MAS):

	New Cars	Used Cars
Maximum loan	MAS x 2/3	MAS x 1/2
Maximum term	4 years	3 years
Interest rate per annum	8%	8%

This ratio of maximum loan to minimum stipend is designed to maintain a reasonable relationship between borrowing capacity and ability to pay. At 31 December 2014 there were 57 loans outstanding with a total value of €438,096.

- **Central Church Fund – Removal (relocation) Grants**

Grant assistance is available to clergy towards the cost of moving household belongings to/from a rectory/curatage on a new appointment or retirement. Grants are generally not made to any one individual more frequently than at a three year interval other than in exceptional circumstances or on appointment as a Dean or Bishop/Archbishop.

The approved level for an individual relocation grant is limited to 2/3 of actual cost and is subject to a maximum of €4,000 or £2,000 in the case of moves within the island. In the case of moves to the island the maximums are €5,000 and £4,000.

With prior approval an equivalent grant amount may be paid towards the procurement of furniture in lieu of the cost of a move into the island. Claims for such grants must be supported by receipted documentation.

CLERGY PENSIONS

There are three separate schemes providing pension benefits for Church of Ireland clergy.

The Clergy Pensions Fund (CPF) holds assets to fund the pension benefits earned by clergy up to 31 May 2013. Contributions in relation to service from 1 June 2013 onwards are held in the Church of Ireland Clergy Defined Contribution Scheme (Northern Ireland) and the Church of Ireland Clergy Defined Contribution Scheme (Republic of Ireland).

The Representative Church Body acts as Sponsor of all three schemes.

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- **The Clergy Pensions Fund (CPF)**

Trusteeship

The annual report of the Church of Ireland Clergy Pensions Trustee Limited, which in accordance with Chapter XIV of the *Constitution of the Church of Ireland* is the Trustee of the Clergy Pensions Fund, is included as Appendix E (page 96). The Representative Body is the sole member of the Trustee Company.

Supplemental Fund and other funds

The Church of Ireland Pensions Board administers the Supplemental Fund and certain other funds on behalf of the Representative Body.

A report on the administration of these funds during the year ended 31 December 2014 is attached as Appendix F (page 141).

The Church of Ireland Pensions Board in 2014 reviewed the rules and functionality of the Supplemental Fund. A report on the review is contained in the report of the Board (page 124).

- **The Church of Ireland Clergy Defined Contribution Schemes (NI and RI)**

Details of the operation of the schemes are set out in the members' handbooks and online at:

Northern Ireland members - www.zurich.co.uk/work/savings/retirement/

Republic of Ireland members - www.zurichlife.ie/groups/aspire/60521399

The annual reports of the scheme trustees are included in Appendix G (page 150).

Further information on clergy pensions is available from:

The Pensions Administration Manager
Church of Ireland House, Church Avenue, Rathmines, Dublin 6
Email pensions@rcbdub.org
Tel +353-(0)1-4125630

PROPERTY AND TRUSTS

- **General**

In the Republic of Ireland, the issue of significance for owners of residential property during 2014 was the introduction of the new system of domestic water charges for all residential property connected to a public water supply or to public wastewater services. The date for registration with Irish Water to ensure allowances could be availed of and accurate first bills issued, was revised to 2 February 2015. First quarterly bills will issue from April 2015, in respect of the period January to March 2015. The occupier of

the property that gets water and/or wastewater services from Irish Water will be liable to pay domestic water charges under the new system. The legal owner of the property will be presumed to be the occupier unless it is proven otherwise.

In Northern Ireland, the Landlord Registration Scheme Regulations (NI) 2014 came into effect from 25 February 2014, under which all landlords who let property under a private tenancy must register within twelve months of the start of the Scheme (before 24 February 2015), otherwise penalties of between £500 and £2,500 may apply.

The funding from Government Departments for the conservation of historic buildings and other heritage projects both in the Republic of Ireland and Northern Ireland was severely curtailed in 2014. Looking to 2015, it is unlikely that there will be any significant improvement in the funding situation for historic buildings and this will undoubtedly impact on parishes planning essential maintenance/conservation projects and put further pressure on local fundraising.

The property market in the Republic of Ireland has emerged in recent years as a two-tier market with demand in many areas of Dublin during 2014 driving the price of housing upwards by some 20% year-on-year due to the shortage of suitable property, whereas outside of the Dublin area, the price of property increased by some 8% on average year-on-year but actually decreased in some areas. During the final three months of 2014 house prices fell back slightly in many regions. The proposed Central Bank restrictions on mortgage lending will limit credit and expectations going into 2015 and inevitably lead to more moderate increases in house prices. The property market in Northern Ireland continued to recover during 2014 with prices in many urban areas up some 7% on average and some 5% in more rural areas. The standardised residential average price is still some 52% below the 2007 peak in the market and therefore, further growth in house prices is expected in the year ahead.

- **Roles and Responsibilities**

As the legal owner of the vast majority of Church of Ireland properties held in trust for the Church, the Representative Church Body has both a statutory function as laid down in Chapter X of the *Constitution of the Church of Ireland* and a general duty of care under the common law. Property transactions by their nature involve strategic, technical and legal issues which must be considered in great detail and processed with accuracy and technical certainty. The procedure for dealing with church property may appear cumbersome and bureaucratic from time to time, given the chain of decision making from Select Vestry through Diocesan Council and finally by the Representative Church Body in its corporate legal role. However, this is a consistent, careful and transparent process which reflects this duty of care to past, present and future generations and the legal responsibilities of trustees and custodians.

- **Title and Contract Issues**

Timely notification of potential property transactions taking account of the time which can elapse for procedural reasons is always helpful especially where a title,

underlying trust, covenant or mapping problem emerges on investigation. It is important too that no implied contracts are entered into between local parish representatives and contractors or developers prior to formal approvals being given by the Representative Body and all legal formalities having been observed.

- **Church Fabric Fund**

The Church Fabric Fund (*Constitution of the Church of Ireland*, Chapter X Part IV) is held by the Representative Body to make grants to defray ‘the costs, in whole or in part, of restoration or repair of the fabric of any Church or Chapel, if same is vested in it, and it is satisfied that it is in use and certified by the Diocesan Council to be essential for worship by the Church of Ireland’. The Fund was established in 1930 and has grown from the allocation of a minimum of 20% of the net proceeds arising from the majority of churches sold to a capital fund of €5,421,533 and £852,758. Grants of €93,400 and £44,900 were allocated by the RCB from the income of the Fund on the recommendation of the Primate in 2014. Applications for grants, subject to criteria, are considered in March and October (details from Church of Ireland House, Dublin). A list of grants allocated during 2014 is included as Appendix H (page 152).

- **Marshal Beresford Fund**

Grants of €30,350 and £68,350 for repairs to churches were made from the Beresford Fund in 2014. The allocation of the income, in accordance with the trusts, is made by the Archbishop of Armagh who does so in conjunction with his recommendations for grant assistance from the Church Fabric Fund.

- **The See House, Limerick**

The new See House for the United Dioceses of Limerick, Ardfert, Aghadoe, Killaloe, Kilfenora, Clonfert, Kilmacduagh and Emly at Castletroy, Limerick was purchased in February 2015.

- **Stained Glass Windows (surveys)**

The professional survey of stained glass windows in the Church of Ireland by Dr David Lawrence, an expert in stained glass, has resulted in surveys in St Patrick’s Cathedral Dublin; Christ Church Cathedral Dublin; the Dioceses of Cork, Cloyne and Ross (including St Fin Barre’s Cathedral); Armagh; Clogher; Derry and Raphoe; Meath and Kildare; Cashel, Ferns and Ossory; Tuam, Killala and Achonry; Dublin and Glendalough; Kilmore, Elphin and Ardagh; and Limerick, Ardfert, Aghadoe, Killaloe, Clonfert, Kilmacduagh and Emly. The survey in the Diocese of Connor continued during the year and will be completed in 2015. The Diocese of Down and Dromore has already had a preliminary survey carried out by Dr Lawrence and the work will be completed during 2016/17, following which the survey of stained glass windows will be finalised.

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The Representative Church Body has contributed €368,806 towards the project over the past 13 years. Funding of €241,842 was received from the Heritage Council towards the project until 2013 but grants are no longer available for such work due to the economic downturn. Support for the project was also received from All Churches Trust and from the Northern Ireland Environment Agency.

The Stained Glass Database (Gloine) which was launched in April 2008 is available on the internet at www.gloine.ie. The database enables the user to search by diocese, church, artist, studio, religious subject matter and date. A zoom and pan function on all images together with a search by map facility together with floor plans of the church buildings are also now available on the website.

- **Churchyard and Graveyard Walls**

Potentially serious financial loss to parishes due to ageing walls surrounding churchyards and graveyards was again evident in 2014. Parishes are strongly advised to inspect walls regularly, to seek technical advice and to carry out preventative maintenance where possible. Parishes should be vigilant when any form of development takes place on adjoining or adjacent sites and ensure that buttresses, foundations and other supporting structures are not interfered with to the detriment of the churchyard or graveyard walls.

- **Insurance**

Where church premises are occupied by a third party under a lease or licence agreement, it is obligatory that parishes obtain written confirmation from the insurance company of the occupant that they have a policy of public liability insurance in place. Parishes should not enter into arrangements with third parties to receive contributions towards public liability insurance costs, unless such arrangement has been discussed with and has received the sanction in writing of their insurance company.

It is imperative that parishes ensure all graveyards in their care are adequately covered by a policy of public liability insurance.

- **Safety and Parish Premises**

The attention of select vestries is drawn to current health and safety legislation in the Republic of Ireland and Northern Ireland, particularly in relation to the ‘occupier’s’ duty of care to visitors and recreational users of church property. It is imperative that each parish should have a formal Health and Safety Statement and that parish premises should meet the required standards.

- **Single Farm Payment (Area Entitlements) – Northern Ireland**

Since 2005 the Representative Church Body has claimed the Single Farm Payment (Area Entitlements) on behalf of some 84 parishes in Northern Ireland.

As part of the reform of the Common Agricultural Policy, the method whereby the Single Farm Payment (Area Entitlements) for parish lands in Northern Ireland is

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claimed and received changed in 2014. The new Common Agricultural Policy does not allow for ‘non-farming landowners’ to receive the Single Farm Payment (Area Entitlements) but instead the payment must go to ‘active farmers’. As a result, the Single Farm Payment (Area Entitlements) were either transferred to the ‘active farmer tenant’ of the parish lands or alternatively placed on the open market for sale to other ‘active farmers’ during 2014 and the Representative Church Body is no longer involved. The responsibility has reverted to the Diocesan Glebes Committee/Parishes to ensure that suitable annual payment is being received from the tenants for the use of the parish lands, where appropriate, as would have been the case prior to 2005.

- **Letting of Parish Lands**

Where parish lands are let under Conacre (tillage) and Agistment (grazing) Agreements, it is critical that such agreements are fully completed by both the Parish and the Tenant in order to comply with Department of the Environment and Department of Agriculture regulations. If following inspection by the relevant Department agreements are not in compliance with EU Regulations, financial penalties may be applied.

- **Local Property Tax**

The Local Property Tax came into effect from 1 July 2013 and is a tax payable on the market value of residential property as determined on 1 May 2013. Residential property will have to be revalued on 1 November 2016 to determine the amount of LPT for 2017.

Residential properties within parishes in the Republic of Ireland are not exempt under the Finance (Local Property Tax) Act, 2012 and parishes are liable to pay the Local Property Tax in respect of these properties.

The Local Property Tax is collected by the Revenue Commissioners and is initially paid by the Representative Church Body to ensure compliance with Revenue deadlines. The tax is then collected from the parishes which are the beneficial owners, through the dioceses during the year.

Parishes should consult the Revenue Commissioners website www.revenue.ie for further information on the Local Property Tax.

- **Domestic Water Charges (Republic of Ireland)**

A new system of domestic water charges was introduced during the year for homes that are connected to a public water supply or to public wastewater services. The date for registration with Irish Water to ensure allowances could be availed of and accurate first bills issued, was revised to 2 February 2015. First quarterly bills will issue from April 2015, in respect of the period January to March 2015. The occupier of the property that gets water and/or wastewater services from Irish Water will be liable to pay domestic water charges under the new system. The legal owner of the property will be presumed to be the occupier unless it is proven otherwise.

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The table below shows the capped charges for a sample of household types using both water services, including the maximum amount of the quarterly bills that these sample households will receive, starting from April 2015:

Sample capped charges for households using both water services

People in household	Maximum annual charge	Maximum quarterly bill	Annual Water Conservation Grant
1 adult, with or without children	€160	€40	€100
2 adults, with or without children	€260	€65	€100
More than 2 adults, with or without children	€260	€65	€100

For a single service: The maximum rate for a single-adult household is **€80** per year or **€20** per quarter for a household that uses only one water service. The maximum rate for a multi-adult household is **€130** per year or **€32.50** per quarter.

The table below shows the capped charges for a sample of household types using one water service, including the maximum amount of the quarterly bills that these sample households will receive, starting from April 2015.

Sample capped charges for households using a single water service

People in household	Maximum annual charge	Maximum quarterly bill	Annual Water Conservation Grant
1 adult, with or without children	€80	€20	€100
2 adults, with or without children	€130	€32.50	€100
More than 2 adults, with or without children	€130	€32.50	€100

Further information can be obtained from Irish Water:

- Website: www.water.ie
- Phone: LoCall 1890 278 278 or +353 1 707 2828, 24 hours a day, 7 days a week
- Minicom: 1890 378 378 (for hearing-impaired customers with their own minicom equipment)

- **Domestic Waste Water Treatment Systems Registration (Republic of Ireland)**

The Department of the Environment introduced a Domestic Waste Water Treatment Systems charge under the Water Services (Amendment Act), 2012. All domestic wastewater treatment systems have to be registered. This includes septic tanks, waste water tanks and treatment systems which are receiving, storing, treating or disposing of domestic waste water. It also includes all fittings and percolation areas associated with such tanks and systems and drains which are used to discharge waste water from premises, whether or not a receiving tank is present.

Domestic Waste Water Treatment Systems should have been registered by 1 February 2013. There was a €5 fee to register up to 28 September 2012, after which the charge increased to €50. Registration will last for five years and there will be no fee for second or subsequent registrations.

An inspection scheme, for which there will be no charge, commenced in 2013.

It is important for parishes to ensure that they register any Domestic Waste Water Treatment System located on parish property, as failure to do so could incur a fine of up to €5,000.

Select Vestries should consult the Department of the Environment, Community and Local Government website www.environ.ie for further information on the registration and inspection system.

- **Energy Performance of Buildings - European Communities Regulations 2006**

Northern Ireland (Energy Performance Certificate) and Republic of Ireland (Building Energy Rating Certificate)

Section 7 of the European Communities Energy Performance of Buildings Directive (EPBD) requires that, when a building is constructed, sold or rented, a Certificate detailing its energy consumption must be made available to the prospective purchasers or tenants. These certificates in Northern Ireland are called *Energy Performance Certificates* and in the Republic of Ireland *Building Energy Rating Certificates*.

From 1 January 2009 all new and existing domestic dwellings, regardless of age must have an Energy Performance/Rating Certificate when being offered for sale or rent.

Energy Performance or Building Energy Rating Certificates are not required for the following:

- Places of Worship;
- Protected Structures/National Monuments;
- Buildings used for the purpose of carrying out religious activities;

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- Temporary buildings and certain non-habitable agricultural and industrial buildings with low energy demand;
- Stand alone buildings with a useful floor area of less than 50m²;
- If a building is to be demolished after sale.

The Certificate, when issued, will cover a property for a period of 10 years.

It is the responsibility of parishes to arrange for *Energy Performance Certificates* or *Building Energy Rating Certificates* to be obtained where required.

- **Built Heritage Jobs Leverage Scheme (BHJLS) 2014 (Republic of Ireland)**

The introduction by the Minister for the Department of Arts, Heritage and the Gaeltacht of The Built Heritage Jobs Leverage Scheme 2014 to assist with works to safeguard structures protected under the Planning and Development Acts 2000-2014, funded by a sum of €5m made available under the Government's Capital Stimulus programme, enabled conservation works to be carried out to many churches nationwide.

The Built Heritage Jobs Leverage Scheme, administered by the Local Authorities, encouraged the input of private capital to invest in a number of small-scale, labour-intensive projects and to support the employment of skilled and experienced conservation professionals, craft workers and trades people. A total of €15 million was invested in 540 projects across the country and generated 175 jobs.

No provision has been made in the Estimates for Public Services 2015 for a continuation of the Built Heritage Jobs Leverage Scheme but the Minister for the Department of Arts, Heritage and the Gaeltacht has indicated that although the scope to provide funding is constrained by the current economic situation, the Department will continue to provide funding to safeguard and develop built heritage, in so far as resources allow.

- **Structures at Risk Fund 2015**

The Minister for the Department of Arts, Heritage and the Gaeltacht has announced funding of €624,000 for the protection and upgrading of heritage buildings under the Structures at Risk Fund 2015. The Fund is used to secure the preservation of structures that are protected under the Planning and Development Acts 2000-2014 and which might otherwise be lost. Typical works funded under the scheme include roof repairs, structural consolidation and measures to ensure weather tightness. Details of the application process for the Structures at Risk Fund 2015 can be obtained by contacting the relevant Local Authority.

- **Community Grants Scheme 2015**

The Minister for the Department of Arts, Heritage and the Gaeltacht has announced a new Community Grants Scheme for 2015 to be administered by the Heritage Council. Funding of €250,000 is being provided by the Department and additional monies will come from the Heritage Council and from private sector investment, resulting in it is expected, a spend of €1 million on community heritage projects throughout the Country.

Details of the Scheme can be found on the Heritage Council website www.heritagecouncil.ie

- **Heritage Lottery (National Heritage Memorial Fund) Grants (Northern Ireland)**

Parishes in Northern Ireland may make application to the Heritage Lottery Fund (National Heritage Memorial Fund) for a grant to assist in the preservation and maintenance of a church. The Church of Ireland has benefited considerably from such grants in recent years. The project must be seen as being of particular importance to the national heritage. Conditions applying to the terms of the grant include a requirement that the church building must be open for 40 days a year, apart from Sundays. Additionally, it should be ensured that the church will remain viable for a considerable period as there is a ten year clawback period in respect of the grant. Formal approval must be sought from the relevant Diocesan Council and the Representative Body before an agreement may be entered into in respect of a grant.

Information may be obtained from the website www.hlf.org.uk/northernireland.

- **Heritage Lottery - Grants for Places of Worship (Northern Ireland)**

The Grants for Places of Worship programme is operated by the Heritage Lottery Fund and is for projects that involve **urgent** structural repairs to public places of worship that are listed A, B+, B, B1 or B2. As part of a repair project funds are also given for work to encourage greater community use and engagement. Parishes can apply for a grant from £10,000 to £250,000.

Grants for Places of Worship projects must achieve the following outcomes:

Outcome for heritage:

With the grant, heritage will be in better condition.

Outcome for communities:

With the grant, more people and a wider range of people will have engaged with heritage.

The Application process

Grants for Places of Worship applications go through a two-round process. This is so that you can apply at an early stage of planning the project and get help in working out the scope of the work that you need to undertake before you submit your proposals in greater detail.

- At the first round, the Heritage Lottery Fund assess the application in three months, and then it goes to the next decision meeting.
- The development phase can take up to 12 months, depending on the complexity of your project.
- At the second round, the Fund will assess your application in three months and give you a decision.

It is recommended that you submit a project enquiry form before you apply.

Decision meetings

Decisions are made four times a year, by the Heritage Lottery Fund Committee (HLF) for Northern Ireland and you should contact the HLF office in Northern Ireland for information about meeting dates.

Formal approval must be sought from the relevant Diocesan Council and the Representative Body before an agreement may be entered into in respect of a grant.

Information may be obtained from www.hlf.org.uk/inyourarea/northernireland

• Big Lottery Fund (Northern Ireland)

Applications can be made to the Big Lottery Fund for grants towards works to buildings such as church halls, which are used to bring improvements to the lives of people most in need in their communities, bringing them together to enjoy a wide range of charitable, community, educational, environmental and health-related activities.

Formal approval must be sought from the relevant Diocesan Council and the Representative Body before an agreement may be entered into in respect of a grant.

Information may be obtained from www.biglotteryfund.org.uk

• Listed Buildings Grant Aid Scheme (Northern Ireland)

Funding for repairs to all types of secular listed buildings and also for churches at Grade B+ and above has been provided through the Northern Ireland Executive's Economy and Jobs Initiative and following a very successful uptake of the grant-aid scheme, resources are now fully committed. As a result, applications are being processed as funding becomes available and the assistance that the Northern Ireland

Environment Agency can now offer for approved repairs to many listed buildings has been reduced to the previous rate of 35% for repairs and 75% for associated fees for most schemes. Offers will be capped at £150,000 on expenditure on any single phase of work per year. Detailed information and application forms can be accessed on the website www.doeni.gov.uk/nica/funding.

- **Listed Places of Worship Grant Scheme (Northern Ireland)**

The Listed Places of Worship Grant Scheme was established in 2001 to provide grants towards VAT paid on eligible repairs and maintenance to listed buildings that are used principally as places of worship.

The Scheme:

- applies primarily to the repair and maintenance of listed buildings that are used principally as places of worship. However, from 1 October 2013 applications will be accepted in respect of redundant listed places of worship;
- applies to listed places of worship throughout the UK which are included on the public registers of listed buildings for England, Scotland, Wales and Northern Ireland;
- applies to listed places of worship owned by or vested in a number of specified organisations which look after redundant churches;
- applies to listed places of worship of all religions and faith groups;
- only accepts applications made in arrears;
- only accepts claims where invoices are submitted within 12 months of the invoice date; and
- only accepts applications where the value of the works eligible for the scheme is over £1,000 (excluding VAT).

Following the introduction of the change to the VAT rate applied to alterations to listed buildings on 1 October 2012, the funding for the Listed Places of Worship Grant Scheme has been substantially increased.

As part of the Budget 2012, the zero rate of VAT was withdrawn for approved alterations to listed buildings, effective from 1 October 2012 and it was announced that the Listed Places of Worship Grant Scheme would be extended to offset the financial impact of the VAT change on listed places of worship undertaking alteration works.

The extended scheme incorporates repairs, maintenance and alterations to listed places of worship and became operational on 1 October 2012. The extended scheme is designed to be as simple as possible with the same eligibility criteria applied for both alteration and repair and maintenance works. Claimants will use one application form for both kinds of work and will not be asked to identify whether a work was repair, maintenance or an alteration to a listed place of worship.

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In summary:

- The scheme has a system of monthly payments
- Some of the restrictions on eligibility criteria on certain repair and maintenance works are lifted
- There are some additional items added to the eligibility criteria

The following restrictions on eligibility have been lifted since 1 October 2013:

- ◆ Removal of restrictions on works to pipe organs, turret clocks, bells and bell ropes.

The following have been **added** to the eligibility criteria:

- ◆ Claims on security and forensic systems to prevent crime.
- ◆ The cost of professional services directly related to eligible building work, including work necessary at the planning and design stage of such works.

The scheme is administered by the Listed Places of Worship Grant Scheme office of the Department for Culture, Media and Sport in the UK.

Full information and application forms may be obtained from their website, www.lpwscheme.org.uk or you can contact:

Listed Places of Worship Grant Scheme,
PO Box 609, Newport NP10 8QD,
South Wales
Tel: 0845 601 5945

- **National Churches Trust (UK)**

The National Churches Trust under its Repair Grants Programme offers grants of £10,000 and above towards the cost of urgent and essential structural repair projects. A small number of grants are available at £40,000 and above. Projects must have a minimum estimated cost of at least £100,000 (including VAT and fees) to qualify. Information may be obtained from www.nationalchurchestrust.org.

- **All Churches Trust Limited**

All Churches Trust Limited supports appeals from churches for building and restoration projects, repair of church fabric, church community initiatives, religious charities, charities preserving UK heritage and other charitable causes. Grants are made out of income derived from All Churches Trust Limited's wholly owned subsidiary, Ecclesiastical Insurance Office Plc. Full information and application form may be obtained from the website www.allchurches.co.uk.

- **Awards For All Programme**

Applications for funding from a minimum of £500 to a maximum of £10,000 can be made to the Big Lottery Fund's Awards for All Programme. This includes small improvements grants for premises. Only one award can be held at a time. You can reapply for funding to meet the needs of your project, but the total amount of funding awarded to any one project in any twelve month period, cannot be more than £20,000. Full details of the programme may be obtained from the website www.biglotteryfund.org.uk.

- **Leader Funding (Republic of Ireland)**

There are 36 individual companies administering Leader funding throughout rural areas in the Republic of Ireland. These companies use different names based on their location, and often are referred to as Integrated Local Development Company, Leader Company, the Leader Partnership or the Local Action Group (LAG). They all administer this particular rural development fund and must apply consistent rules for administering the money. Each LAG will have different priorities based on their local plan and the needs of the area. Parishes have benefited through applications to the fund in their area and have received grants for building works which fall into the relevant criteria, such as the upgrading of rural heritage and renewal and development. Contact your local Leader Group for advice or the National Rural Network website www.nrn.ie for details.

- **Architectural Heritage Protection for Places of Public Worship (Republic of Ireland) – Guidelines for Planning Authorities**

The text of the Guidelines is available on the Department of the Environment, Heritage and Local Government website at www.environment.ie.

- **Church Buildings Sub-Committee**

The Church Buildings Sub-Committee was formed in September 2008 and performs the duties previously undertaken by the former Historic Churches Advisory Committee, whose functions were assigned to the RCB Property Committee. The Church Buildings Sub-Committee reports directly to the Property Committee and its membership comprises Ven TR West and Mrs J Leighton (both of whom are members of the Property Committee).

The Committee's principal function is to report to the Property Committee on applications received in respect of Forms of Certificates of Consent to Alterations, also known as the 'Blue Form'.

When submitting a Form of Certificates of Consent to Alterations, to enable the Church Buildings Sub-Committee to consider the matter fully, it is essential that it is accompanied by supporting documentation, for example, illustrations of proposed stained glass windows, the proposed wording for a memorial plaque, or plans for the reordering of a church.

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During the year, the Church Buildings Sub-Committee reviewed and recommended 42 applications. These included items such as the erection of memorial plaques, the installation of stained glass windows, the erection of hand-rails at steps to assist disability access, the installation of public address and loop systems, general restoration works and the reordering of interiors of churches.

In the Republic of Ireland, in instances where a church is included in the List of Protected Structures, it is essential that parishes notify their Local Authority of any proposed alteration and gain the requisite agreement. Ecclesiastical Exemption in Northern Ireland means that Listed Building Consent is not required for internal alterations, but it is recommended that NIEA Built Heritage should be notified where a church is a Listed Building. In order to assist parishes, a step by step guideline is set out below on the procedures which should be followed in respect of any proposed alteration in both Northern Ireland and the Republic of Ireland, in order to comply with Church and State regulations.

Northern Ireland

- ❖ Appoint an Architect with expertise in the conservation of historic buildings.
- ❖ Establish if the church is a listed building.
- ❖ Where any alteration in the structure, ornaments, furnishings or monuments of a church (whether by introduction, alteration or removal) is being contemplated, a Form of Consent to Alterations (available from the Representative Church Body) should be completed and the approval of the Bishop or Ordinary obtained.
- ❖ Obtain the approval of the Diocesan Council and the Representative Church Body to any works involved in the church building development that is not covered by the Form of Consent to Alterations.
- ❖ Alterations to churches are subject to the same planning requirements for obtaining planning permission as unlisted buildings but ‘The Ecclesiastical Exemption’ applies to the interior and therefore Listed Building Consent is not required but it is recommended that NIEA Built Heritage should be consulted.
- ❖ Obtain the consent of the relevant Planning Authority to the proposed works, if applicable.
- ❖ Refer to the NIEA Built Heritage website at www.doeni.gov.uk/niea.

Republic of Ireland

- ❖ Appoint an Architect with expertise in the conservation of historic buildings.
- ❖ Establish if the church is listed as a Protected Structure under the Planning and Development Acts.

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- ❖ Where any alteration in the structure, ornaments, furnishings or monuments of a church (whether by introduction, alteration or removal) is being contemplated, a Form of Consent to Alterations (available from the Representative Church Body) should be completed and the approval of the Bishop or Ordinary obtained.
- ❖ Obtain the approval of the Diocesan Council and the Representative Church Body to any works involved in the church building development that is not covered by the Form of Consent to Alterations.
- ❖ Obtain the consent of the relevant Planning Authority to the proposed works, if applicable.
- ❖ Refer to the Architectural Heritage Protection – Guidelines for Planning Authorities, ‘Places of Public Worship’ Chapter 5. Available on the Department of the Arts, Heritage and the Gaeltacht website at www.ahg.gov.ie.

Supplies of Forms of Certificates of Consent to Alterations may be obtained from the Property Department, Representative Church Body, Church of Ireland House, Rathmines, Dublin 6 (Email: property@rcbdub.org)

Advice Series on Built Heritage

In the Republic of Ireland, the Department of the Arts, Heritage and the Gaeltacht has also published an excellent advice series on the following aspects of Built Heritage:

- Access - Improving the Accessibility of Historic Buildings and Places
- Bricks - A Guide to the Repair of Historic Brickwork
- Conservation of Places of Worship
- Energy Efficiency in Traditional Buildings
- Iron - The Repair of Wrought and Cast Ironwork
- Maintenance - A Guide to the Care of Older Buildings
- Roofs - A Guide to the Repair of Historic Roofs
- Ruins - The Conservation and Repair of Masonry Ruins
- Windows - A Guide to the Repair of Historic Windows

The above publications can be downloaded at:

www.pobail.ie/en/Publications/HeritagePublications

Website

The website set up by the Historic Churches Advisory Committee, www.hc.ireland.anglican.org remains in operation and provides information on the care and maintenance of churches. The website is also linked to the Church of Ireland website www.ireland.anglican.org.

LIBRARY AND ARCHIVES COMMITTEE

- **Summary**

The principal focus of the Library's work continues to be the provision of resources for ministerial training through the sourcing, accessioning and cataloguing of new books, the re-cataloguing of the existing book stock, the management of a borrowing facility and the provision of study space.

During 2014 further substantial progress was made on converting the card catalogue of printed books to the online catalogue which provides universal access through the Library's website www.library.ireland.anglican.org. At the end of 2014, 42,661 books were available on the online catalogue.

Further progress was also made, with the assistance of the Church House IT Department, in populating the Library's website with introductory information and in making lists and indexes of archives and manuscripts available online. The 'Archive of the Month' initiative continued to be successful in introducing aspects of the collections to a wider audience, and in attracting media attention. A list of 'Archive of the Month' titles for the year is included as Appendix I (page 153).

Additional tranches of parish and diocesan records were transferred to the Library from local custody. The Library manages, and makes available to researchers, records from 1,100 parishes, chapels of ease and chaplaincies, 20 dioceses and 20 cathedrals as well as 1,002 collections of ecclesiastical manuscripts.

In addition the Library has continued to discharge its curatorial responsibilities for church plate and episcopal portraits, and for the editorial dimension of the *Church of Ireland Directory*.

- **Allocations**

The General Synod allocated €5,000 for the purchase of books and conservation, and this was supplemented from accumulated resources. Welcome donations were received from Mr Henry Alexander (€250); Armagh diocese (£500); APCK (€1,000); Cashel, Ferns and Ossory diocese (€800); Clogher diocese (€150); Cork, Cloyne & Ross diocese (€300); Dublin & Glendalough diocese (€1,000); George Greene Memorial Fund (€224); Holy Trinity, Killiney, parish (€100); Irish Section of the Huguenot Society of Great Britain & Ireland (€100); Limerick, Killaloe & Ardfert diocese (€250); Meath & Kildare diocese (€400); Tuam, Killala & Achonry diocese (€500).

- **Accessions**

Books and periodicals were purchased to meet the requirements of those in training for ministry and the needs of the wider Church. In particular, continued purchasing was required to meet the needs of ordinands in the Church of Ireland Theological

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Institute. These purchases were augmented by donations from publishers, authors and from a number of individuals, notably Rev GT Doyle, Rev HJ Keogh, Rev RG Kingston, Canon HG McEndoo, Rev WS Monkhouse, Ven JG Murray, Rev GDB Smith, Canon RE Turner and Rev NJW Waugh.

The principal archival accessions were records from 69 parishes, bringing to 1,100 the number of parish collections which the Library manages. In addition there were transfers of diocesan records from Cork, Derry and Ferns and there were 36 accessions of miscellaneous manuscript material, among which were the records from the Cavan, Cork and Ferns Protestant Orphan Societies; 19th century diaries of Rev Richard Sadlier, rector of Castleknock, and his wife; scrapbooks compiled by the late Ven WA Macourt; and a further tranche of papers of the late Canon JLB Deane.

A list of accessions of archives and manuscripts to the Library during 2014 is included as Appendix J (page 154).

- **Storage**

181 boxes of archives, 96 boxes of manuscripts and 48 boxes of periodicals were transferred to offsite commercial storage, and further transfers are expected during 2015.

- **Ministerial Training**

In support of ministerial training, one of the core functions of the Library, induction sessions were provided for ordinands in the Theological Institute, for those in part-time training, and for students on the Foundation Year programme. On the weekends on which there was part time training in the Theological Institute the Library remained open until 7.30pm.

- **Cataloguing**

Work continued on converting the catalogue of printed books from cards to computer. Over 4,600 books were processed in 2014 and these are available online through the Library website. Work is continuing on converting the older theological and historical book stock. Records from 69 parishes were listed.

The project to digitize, catalogue and make available online the Library's collections of architectural drawings of churches continued. The processing of drawings of churches in the diocese of Dublin and Glendalough, largely funded by the Department of Arts, Heritage and the Gaeltacht under the terms of the Government Policy on Architecture 2009-15, was completed. Some 3,351 drawings of 453 churches are now available at www.archdrawing.ireland.anglican.org.

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- **Conservation**

Seven volumes of parish records were repaired and rebound. Mr Henry Alexander generously arranged for the binding of the issues of the *Church of Ireland Gazette* and the *Church Review* for 2011.

- **Church Plate**

Progress continued to be made with the church plate inventory and over 90% of the inventories have been returned and checked. The transfer of plate from local custody continued as parishes reduced the holdings in their safes and removed items from local banks and continued to facilitate the reallocation of pieces to other parishes. The Library holds some 680 pieces of church plate.

- **Outreach**

The Library co-operated with

- the Board of the *Church of Ireland Gazette* to promote the digitization of the *Gazette* for the Decade of Centenaries and this attracted funding from the Department of Arts, Heritage & the Gaeltacht and from Malcolm Macourt in memory of his father Ven WA Macourt.
- The General Synod Historical Centenaries Working Group on a film presentation of World War I letters which was screened in St Mark's Church, Dundela.
- the Irish Society for Archives in the production of an issue of *Irish Archives* which was dedicated to Church of Ireland archives.
- the Royal Irish Academy in contributing local Church of Ireland publications to the Irish History Online project.

Library staff gave presentations on aspects the Library's holdings at the Conference of the History of Irish Childhood, St Patrick's Cathedral, Dublin, during Heritage Week, St Mark's Church, Dundela's WWI commemoration event, and to the Association of Professional Genealogists in Ireland, East Belfast History Group, Cookstown Ancestry Project, Eneclann Research Group, and TCD MPhil students.

A study day for the UCD School of History and Archives was facilitated in the Library and short term placements were provided for two school interns.

DONATIONS AND BEQUESTS TO THE CHURCH OF IRELAND

- **Trustee role of the Representative Church Body**

The Representative Body was incorporated by Charter to hold property and funds in trust for the Church. As a permanent trustee body it administers a large number of trusts donated or bequeathed for specific Church purposes, parishes and dioceses.

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There is considerable advantage in donating or bequeathing in trust to a permanent trustee body such as the Representative Body (or the Church of Ireland Trustees in Belfast) rather than to local trustees. For instance, with a permanent trustee body there is no need to appoint new trustees from time to time.

Donations and bequests can be in the form of money, stocks and shares, securities, chattels, houses or lands or the whole or part of the residue of an estate. They can be left to the Representative Body in trust:

- for the general purposes of the Church of Ireland; or
- for any particular funds of the Church or any diocese or parish; or
- for any particular Church purpose.

The Representative Body applies funds arising from a specific donation or bequest strictly in accordance with the purposes declared in the trust instrument or Will. However, the Church of Ireland is in great need of unfettered funds to help finance its ongoing responsibilities – training ordinands, providing retirement benefits for clergy and their spouses and generally maintaining ministry. An unfettered donation or bequest can be given or left to the Representative Body in trust “for such charitable purposes in connection with the Church of Ireland as the Representative Body of the Church of Ireland may from time to time in its absolute discretion approve”, giving the Church the flexibility to finance its most pressing needs from time to time. (Please see suggested Form of Bequest below.)

- **Tax relief on charitable donations**

Northern Ireland

The Gift Aid scheme gives tax relief on charitable donations and is available to all taxpayers resident in Northern Ireland. Tax can be reclaimed on donations of any size, as long as the amount reclaimed does not exceed the amount of tax paid by the donor during the tax year. Information on how to avail of Gift Aid is available from Church of Ireland House, Dublin.

The total value of the subscriptions collected under Gift Aid on behalf of parishes in 2014 was £5,234,446 to which the income tax recovered by the Representative Body added £1,309,001 to give a total of £6,543,447 as compared with £6,269,518 in the previous year. This figure includes a small element of transitional relief which was provided by the Government to allow charities to adjust to the fall in basic rate tax from 22 per cent to 20 per cent and was paid in respect of all qualifying Gift Aid donations made to charities between 6 April 2008 and 5 April 2011. Payments of transitional relief have now ceased.

From 6 April 2013, charities that receive small donations of £20 or less have been able to apply for a Gift Aid style repayment, without the need to obtain Gift Aid declarations for those donations, under the Gift Aid Small Donations Scheme

The Representative Church Body – Report 2015

(GASDS). The Representative Body assists parishes who wish to make claims through GASDS. The amount of small donations on which the repayment can be claimed is capped at £5,000 per tax year, per church. The value collected under GASDS on behalf of parishes in 2014 was £307,665 to which the income tax recovered by the Representative Body added £76,916 to give a total of £384,581. Information on how to claim under GASDS is available from Church of Ireland House, Dublin.

Republic of Ireland

Effective from 1 January 2013, tax relief for donations to approved bodies under Section 848A of the Taxes Consolidation Act 1997 is applied as follows:

- All donations of €250 or more from individuals (PAYE and Self-Assessed) are treated the same, with the tax relief in all cases being repaid to the charity.
- Tax relief is available at a blended rate of 31% in respect of all taxpayers, regardless of their marginal rate.
- An annual limit has been introduced of €1m per individual, being the amount which can be tax relieved under the scheme.

A circular outlining these changes to the scheme was issued for the information of dioceses and parishes. Further information is available from Church of Ireland House, Dublin.

• **Form of Bequest**

The following suggested Form of Bequest grants the Representative Body, as Trustee, permission to invest in any investments or securities at its sole discretion. Circumstances may alter from time to time and this Form of Bequest gives the Trustee freedom to act in the best interests of the parochial or other fund concerned.

The Representative Body also recommends consulting a Solicitor to ensure that any bequests made under Will are valid and satisfy legal requirements.

“I GIVE, DEVISE AND BEQUEATH [*here insert clear particulars of the benefaction ie, a particular sum of money, specific property, a share of the residue etc*] to the Representative Body of the Church of Ireland in trust for [*here insert clear particulars of the object for which the benefaction is to be applied eg, parochial funds of the parish of in the diocese of or, as a perpetual endowment for the stipend of the incumbent of the parish of in the diocese of or, for such charitable purposes in connection with the Church of Ireland as the Representative Body of the Church of Ireland may from time to time in its absolute discretion approve*].

I direct that any funds received by the Representative Body in pursuance of this my Will may be invested in any investments or securities whatsoever in its sole discretion and in all respects as if it were absolutely and beneficially entitled thereto.”

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- **Donations, Bequests and Funds Received**

A full list of funds received by the Representative Body in 2014 on behalf of parishes, dioceses and special trusts is included as Appendix K (page 160).

- **Trusts for Graves**

The Representative Body does not accept any trust for the provision, maintenance or improvement of a tomb, vault, grave, tombstone or other memorial to a deceased person unless a specific benefit will accrue to the parish concerned.

MISCELLANEOUS AND GENERAL

- **Deposit Interest (Rates)**

The rates of interest allowed or charged by the Representative Body are linked to the rates ruling from time to time in the money market. The following rates of interest were applied by the Representative Body in 2014:

QUARTER ENDED	€		£	
	Dr %	Cr %	Dr %	Cr %
31 March	3.50	0.95	2.50	1.05
30 June	3.50	0.75	2.50	1.00
30 September	3.50	0.60	2.50	0.75
31 December	3.50	0.65	2.50	0.80

These rates only apply to revenue balances to credit of diocesan and other accounts and not to permanent capital other than in cases where, for some reason, there may be a delay in making a long-term investment (eg proceeds of sales of glebes). Interest is calculated on daily balances and time weighted.

- **Inflation Statistics (5-year review)**

Year on year (December)	UK (CP Index)*	Republic of Ireland (CP Index)
2010	3.7%	1.3%
2011	4.2%	2.5%
2012	2.7%	1.2%
2013	2.0%	0.2%
2014	0.5%	-0.3%

* From April 2011 the UK Consumer Price Index (CPI) is the benchmark used by the UK Government for the indexation of benefits, tax credits and public service pensions.

RESOLUTIONS RECOMMENDED TO THE GENERAL SYNOD

The Representative Body recommends that the following resolutions be adopted by the General Synod:

I. Allocations

That the General Synod hereby authorises the Representative Body to make the following allocations from General Funds in 2015:

	€
Group A – Maintenance of the Stipendiary Ministry	1,319,788
Group B – Pension Related Costs	138,645
Group C – Training of Ordinands	1,400,120
Group D – General Synod Activities	1,002,822
Group E – Miscellaneous	5,500
	<hr/>
	3,866,875
	<hr/> <hr/>

THE REPRESENTATIVE BODY OF THE CHURCH OF IRELAND

FINANCIAL STATEMENTS – PAGE 1

YEAR ENDED 31 DECEMBER 2014

THE REPRESENTATIVE BODY OF THE CHURCH OF IRELAND
FINANCIAL STATEMENTS 2014 **PAGE 2**

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THE REPRESENTATIVE BODY OF THE CHURCH OF IRELAND
EXECUTIVE COMMITTEE AND OTHER INFORMATION **PAGE 3**

CHAIRMAN

- Mr RS Neill

MEMBERS (*ex officio*)

- The Archbishop of Armagh
- The Archbishop of Dublin
- Canon GC Richards (Allocations Committee)
- Mr HJ Saville (Investment Committee) (Deputy Chairman)
- Mr RH Kay (Property Committee)
- Mr W Oliver (Stipends Committee)

MEMBERS (elected)

- Rt Rev WP Colton
- Rev AJ Forster
- Very Rev JO Mann
- Rev Canon H Gilmore
- Mr TH Forsyth
- Mr LJW MacCann
- Mr DG Perrin
- Mr MJT Webb

BANKERS

- Bank of Ireland
College Green, Dublin 2
- Bank of Ireland
Talbot Street, Dublin 1

CUSTODIANS

- Northern Trust
Canary Wharf, London E14 5NT

AUDITORS

- PricewaterhouseCoopers
One Spencer Dock, North Wall Quay, Dublin 1

OFFICERS

- Chief Officer and Secretary
- Head of Finance
- Head of Property and Trusts
- Head of Synod Services and Communications
- Head of Investments
- Senior Solicitor
- Mr TA Clements
- Ms K Williams
- Mr TJ Stacey
- Mrs JM Maxwell
- Mr R Asher
- Mr M McWha

OFFICE: Church of Ireland House, Church Avenue, Rathmines, Dublin 6.

The financial statements of the Representative Body show in the Balance Sheet the year end values of funds managed for the Church of Ireland, while performance of these funds in the year is detailed in the Statement of Financial Activities. General Funds are held for the furtherance of the mission of the Church in general and Parish, Diocesan and Other Trusts Funds are held for the benefit of the Church of Ireland entity which is the beneficial owner.

General Funds enjoyed a return in the year well above the long-term sustainable trend, which is established at 4.0%. The Balance Sheet value of General Funds grew by €11.9m, or 7.4%, after providing for €6.8m of annual withdrawals, and after providing for the last of five special transfers of €5m to the Clergy Pensions Fund. The ongoing annual withdrawal level remained above the long-term target of 3.5% of averaged fund value and this is disguised by the outperformance for the year. The core aim of the management of General Funds remains as the optimising of return and withdrawal level for the benefit of the present and the future Church. Continuing careful management is needed to ensure that averaged long-term withdrawals are maintained within sustainable levels.

Funds held for the benefit of individual Church of Ireland trusts increased in value by €30m in the year. Distributions of income in relation to these funds, and in respect of Gift Aid reclaims on behalf of Northern Ireland parishes, amounted to €9.8m (2013 €9.8m) despite a dramatic fall in interest rates achievable on deposit monies held.

Statement of Trustee's Responsibilities

The Representative Body, as Trustee, is responsible for preparing the annual report and the financial statements in accordance with the accounting policies of the Representative Body. In preparing the financial statements the Representative Body is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- disclose and explain material differences from applicable Accounting Standards;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that it will continue in business.

The Representative Body, as Trustee, confirms that it has complied with the above requirements in preparing the financial statements.

The Trustee is responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the organisation. It is also responsible for safeguarding the assets of the organisation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RS Neill
Chairman, Executive Committee
10 March 2015



INDEPENDENT AUDITORS' REPORT TO THE REPRESENTATIVE BODY OF THE CHURCH OF IRELAND

We have audited the non-statutory financial statements of the Representative Body of the Church of Ireland for the year ended 31 December 2014 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement, and the related notes. The financial reporting framework that has been applied in their preparation is the basis of preparation and accounting policies in note 1(i) to the financial statements.

Respective responsibilities of the trustee and auditors

As explained more fully in the Statement of Trustee's Responsibilities set out on page 4, the Trustee is responsible for the preparation of the non-statutory financial statements in accordance with the basis of preparation and accounting policies in note 1 to the financial statements. Our responsibility is to audit and express an opinion on the non-statutory financial statements in accordance with International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinion, has been prepared for and only for the Trustee as a body for governance purposes in accordance with our engagement letter dated 12 November 2014 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, including without limitation under any contractual obligations of the Representative Body of the Church of Ireland, save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the non-statutory financial statements sufficient to give reasonable assurance that the non-statutory financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Representative Body's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustee; and the overall presentation of the financial statements. In addition, we read the Financial and Operational Review on pages 16 to 19 to identify material inconsistencies with the audited non-statutory financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the non-statutory financial statements have been properly prepared in accordance with the basis of preparation note and the accounting policies on pages 7 to 10 and present the state of the Representative Body's affairs as at 31 December 2014 and its incoming resources and application of resources and cash flows for the year then ended in accordance therewith.



INDEPENDENT AUDITORS' REPORT TO THE REPRESENTATIVE BODY OF THE CHURCH OF IRELAND - continued

We have obtained all the information and explanations which we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the Trustee. The non-statutory financial statements are in agreement with the books of account.

Emphasis of matter – Basis of preparation

In forming our opinion on the non-statutory financial statements, which is not modified, we draw attention to the fact that the accounting policies used and disclosures made are not intended to, and do not, necessarily comply with all the requirements of Generally Accepted Accounting Practice in Ireland.

A handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers', is written over a faint, larger version of the same signature.

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Dublin

12 March 2015

1. The significant accounting policies adopted by the Representative Church Body (RCB) are as follows:

(i) **Basis of preparation**

The RCB was incorporated by Royal Charter in 1870 under the provisions of the Irish Church Act, 1869. Its legal structure is that of charitable trustee or trust corporation with perpetual succession. The RCB undertakes the following activities:

- The administration of trusts together with the provision of investment and treasury management services. A charge is recovered from the beneficial owners of the investments under the RCB's management in respect of the costs incurred by the RCB in providing the investment and treasury management services.
- The provision of other management services including payroll services provided for the dioceses, property and legal services to parishes, dioceses and the wider Church, and the provision of support to the core work of the Church generally. The costs incurred by the RCB in providing these services are recovered from the investment income earned on investments managed by the RCB on behalf of the General Synod.

The financial information in relation to the activities of the RCB and the assets under its management is presented in columnar format in the Statement of Financial Activities (SoFA) on page 11 and the Balance Sheet on page 12.

- **RCB activities**

The SoFA represents the costs which are incurred directly by the RCB in providing investment, administrative, legal, property and other services to the dioceses and parishes of the Church of Ireland. A charge in respect of the costs of investment and treasury management services is recovered from the beneficial owners of the investments. Other costs are recovered from the investment income earned on investments managed by the RCB on behalf of the General Synod.

The column headed 'RCB Activities' on the Balance Sheet represents the assets and liabilities of the RCB. Church and other related property assets are held by the RCB as trustee on behalf of the wider Church, but the RCB is not the beneficial owner. Such assets are not reflected on the Balance Sheet.

- **General Funds**

The column headed 'General Funds' in the SoFA represents the investment income earned from investments which are under the management of the RCB but are held for the benefit of the wider Church of Ireland. The costs incurred by the RCB in the provision of investment and other services are recovered from the General Funds investment income earned. Allocations represent amounts expended on wider Church activities as detailed in Note 6.

The column headed 'General Funds' in the Balance Sheet discloses the assets which are under the management of the RCB, but which are held for the benefit of the wider Church of Ireland.

- **Parish, diocesan and other trust funds**

The column headed ‘Parish, diocesan and other trust funds’ in the SoFA shows the investment and deposit income earned from investments which are under the management of the RCB but which are beneficially owned by the dioceses, parishes and specific trusts. It also shows income tax reclaimed on behalf of parishes in Northern Ireland under the Gift Aid scheme. A charge to the beneficial owners is made in respect of investment and management services provided by the RCB.

The column under this heading in the Balance Sheet discloses, for information purposes, the assets which are under the management of the RCB, but which are beneficially owned by the dioceses, parishes and specific trusts.

- (ii) **Valuation of investments** – The RCB has classified investments as financial assets at fair value.

Initial measurement

Purchases and sales of financial assets (including investments, options and index covered calls) are accounted for at trade date for financial statement purposes. Realised gains and losses on disposals of financial assets are calculated based on the difference between the average cost of the assets sold and the sale proceeds at the date of sale. Transaction costs for financial assets are recognised directly and included in the cost of the investment. Transaction costs associated with the disposal of a financial asset are offset against the sales proceeds received.

Subsequent measurement

After initial measurement the RCB measures financial assets at fair value, including financial instruments (put and call options and index covered calls). Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm’s length transaction. On the last business day of the year when markets are open for business, the fair value of financial assets is based on their official closing prices on a recognised exchange. Both realised and unrealised gains and losses on arm’s length transactions are recognised in the Statement of Financial Activities on page 11.

In the case of financial assets not traded on an exchange, fair value is determined on the basis of their probable realisable value at the balance sheet date, determined with care and in good faith by a competent person appointed by the Head of Investments, approved by the Investment Committee for that purpose, without any deduction for estimated future selling costs.

- (iii) **Securities lending** – The RCB participates in a securities lending programme operated by the RCB’s custodian, Northern Trust. The securities are loaned to external counterparties for a set period of time and in return the RCB recognises as income the fee received for the loaned securities. Under the terms of the securities lending agreement the RCB retains all the risks and rewards of ownership of the loaned securities.

THE REPRESENTATIVE BODY OF THE CHURCH OF IRELAND
ACCOUNTING POLICIES

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- (iv) **Financial instruments** – Financial instruments are used as part of the RCB’s portfolio risk management strategy and as part of the portfolio investment return strategy. The use of financial instruments includes stock options and index covered calls.

The stock options and index covered calls are stated at market value at year end.

The market value of contract positions is recognised as a current liability in the Balance Sheet and gains and losses on the contract are recognised in the Statement of Financial Activities.

- (v) **Income recognition** – Income includes interest and dividends receivable during the financial year and, in the case of General Fund assets, reflects bought and sold interest on bond transactions in the accounting period and fees received from the stock lending programme.

- (vi) **Foreign exchange translation** – The Functional and Presentation currency of the RCB is euro. This is considered to be the currency of the primary economic environment.

Assets and liabilities in currencies other than the functional currency of the RCB are translated into euro at the exchange rates ruling at the balance sheet date. Transactions in currencies other than the functional currency of the RCB are translated into euro at the rates ruling at the transaction date. Gains and losses on foreign exchange transactions are recognised in the Statement of Financial Activities on page 11. Sterling is the most significant currency other than euro for transactional and balance sheet purposes, and at the year end the rate was €1 = £0.7765 (2013 €1 = £0.8302).

- (vii) **Taxation** – The RCB has been granted charitable taxation status by the Revenue Commissioners and by HM Revenue and Customs in the tax jurisdictions of Ireland and the United Kingdom respectively. It is recognised as a charity under section 207 of the Taxes Consolidation Acts, 1997, with the registration number CHY2900, and under Section 505 of the Income and Corporation Tax Act 1988, under registration number XN45816.

Neither the RCB nor any other entity for which results are shown is generally chargeable to Irish and UK taxation on its income or capital gains. Withholding tax refunds received are recognised at the point when they are recovered.

- (viii) **Loans** – Loans in the General Funds Balance Sheet are stated at book cost at the balance sheet date.

- (ix) **Financial Risk** – The RCB manages a variety of risks, including market price, interest rate, foreign currency and liquidity, through the maintenance of a widely diversified portfolio of actively traded financial assets. Note 13 to the financial statements sets out the exposure and the detail of treatment adopted.

THE REPRESENTATIVE BODY OF THE CHURCH OF IRELAND
ACCOUNTING POLICIES

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- (x) **Tangible fixed assets and depreciation** – Land is stated at cost. Other fixed assets are stated at cost less accumulated depreciation and are depreciated over the period of their expected useful economic lives. Depreciation is calculated using the following annual rates: Premises: 2% to 10%; Furniture and fittings: 8% to 10%; Office equipment: General 20%, System software 10%, Other software 20%.

Church buildings and silverware are not considered to be beneficially owned by either the RCB or General Funds, and hence are not included as either Tangible Fixed Assets or as Heritage Assets.

- (xi) **Allocations** – Allocations are recognised in the General Funds column in the year in which they are expended.

Included in Reserves is an amount provided for the expected value of Allocations to be expended in 2015, and also an Allocations Equalisation Reserve which is utilised to smooth the impact of expected Allocations expenditure on income arising in the year.

- (xii) **Retirement benefits** – Defined benefit pension scheme assets are measured at fair value. The year-end bid price is taken as the fair value of these assets. Defined benefit pension scheme liabilities are measured on an actuarial basis using the projected unit method. The excess of scheme liabilities over scheme assets is presented on the Balance Sheet as a liability. The defined benefit pension charge included in Resources Expended on the Statement of Financial Activities (SoFA) comprises the current service cost and past service costs. An excess arising of the expected return on scheme assets over the interest cost on the scheme liabilities is presented in the SoFA as part of the cost of operations. Actuarial gains and losses arising from changes in actuarial assumptions and from experience surpluses and deficits are recognised in the SoFA in the year in which they occur.

- (xiii) **Cost of operations**

The cost of generating funds comprises the payroll costs of investment management, legal and accounting services, including those made available to the wider Church, external fund management costs and associated allocated overheads.

The cost of charitable activities comprises the payroll and associated allocated overheads charged to trust and property management, communications, education and the RCB Library.

The cost of governance activities relates to the payroll and associated allocated overhead costs incurred in supporting General Synod, central committee expenses and episcopal electoral expenses.

**THE REPRESENTATIVE BODY OF THE CHURCH OF IRELAND
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2014**

PAGE 11

	Notes	2014	2013
		RCB activities €'000	General Funds €'000
		Parish, Diocesan and Other Trust Funds €'000	General Funds €'000
		Parish, Diocesan and Other Trust Funds €'000	General Funds €'000
Incoming resources			
Income from investments		8,156	5,544
Income from property and loans		-	138
Deposit Interest		408	62
Reserve Income		-	129
Tax refund Gift Aid		1,784	-
Sundry		-	133
Subvention from other Church funds		-	112
		6,595	6,118
		10,348	10,412
Resources expended			
Costs of operations			
Cost of generating funds	5	1,686	-
Cost of charitable activities	5	880	-
Cost of governance activities	5	443	-
Other operating costs	5	362	-
RCB costs recovered	5	(3,371)	-
		-	2,672
		585	571
		2,786	2,672
		585	571

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Net incoming resources before allocations and distributions	-	3,809	9,763	-	3,446	9,841
Allocations and distributions						
- Allocation expended in year	6	3,967	-	-	3,911	-
- Special pension contributions and charges	12	5,000	-	-	5,000	-
- Distributions		-	9,763	-	-	9,841
		8,967	9,763	-	8,911	9,841
(Decrease) in resources before gains and losses		(5,158)	-	-	(5,465)	-
Recognised gains and (losses)						
Gains unrealised on revaluation	4,7	6,414	25,154	-	2,247	11,047
Gains realised on invested assets	4,7	8,570	189	-	12,900	78
Currency movements	4,7	1,998	3,969	-	(1,197)	(914)
Other recognised gains	4	53	-	222	56	-
Transfers between funds	12	3	-	(222)	222	-
Net gain in funds		11,880	29,312	-	8,763	10,211
Total funds brought forward		161,441	249,466	-	152,678	234,977
Capital receipts	7(c)	-	676	-	-	4,278
Total funds carried forward		173,321	279,454	-	161,441	249,466

Signed: RS Neill

HJ Saville

Date: 10 March 2015

**THE REPRESENTATIVE BODY OF THE CHURCH OF IRELAND
BALANCE SHEET**

YEAR END 31 DECEMBER 2014

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	2014		2013	
	RCB €'000	General Funds €'000	RCB €'000	General Funds €'000
		Parish, Diocesan and Other Trust Funds €'000		Parish, Diocesan and Other Trust Funds €'000
TANGIBLE FIXED ASSETS		-	4,451	-
INVESTMENTS				
Loans	-	1,668	-	1,527
Invested fund assets	2(a),3	172,917	-	158,022
		<u>174,585</u>	<u>4,451</u>	<u>159,549</u>
		245,912		213,942
CURRENT ASSETS				
Debtors	169	1,265	327	1,789
Cash on short term deposit	10	4,153	-	3,897
Bank balances	10	1,186	969	-
		<u>5,418</u>	<u>1,296</u>	<u>5,686</u>
		33,542		35,524
CURRENT LIABILITIES				
Creditors	915	3	1,049	211
Financial Instrument	2(b)	7,276	-	3,765
		<u>7,279</u>	<u>1,049</u>	<u>3,976</u>
		(1,861)	247	1,710
NET CURRENT ASSETS		33,542		35,524

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LONG TERM (LIABILITY)							
Staff pension scheme (deficit)	11	(4,163)	-	-	-	(4,516)	-
BALANCE WITH GENERAL FUNDS		(597)	597	-	-	(182)	182
TOTAL NET ASSETS			173,321	279,454	279,454	-	161,441
FUNDS EMPLOYED	4,7(c)	-	173,321	279,454	279,454	-	161,441
							249,466
							249,466

Signed: RS Neill

HJ Saville

Date: 10 March 2015

THE REPRESENTATIVE BODY OF THE CHURCH OF IRELAND

CASHFLOW STATEMENT

YEAR END 31 DECEMBER 2014

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	Notes	2014			2013		
		RCB €'000	General Funds €'000	Parish, Diocesan and Other Trust Funds €'000	RCB €'000	General Funds €'000	Parish, Diocesan and Other Trust Funds €'000
NET INCOMING RESOURCES							
BEFORE ALLOCATIONS							
AND DISTRIBUTIONS	8	624	5,235	9,763	184	6,674	9,841
ALLOCATIONS AND DISTRIBUTIONS							
Allocations expended and distributions		-	(3,967)	(9,763)	-	(3,911)	(9,841)
Unit Trust Cash introduced		-			-	-	3,848
Special pension contributions		-	(5,350)	-	-	(5,350)	(91)
and other charges			(4,082)		184	(2,587)	3,757
		624					
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENTS							
Purchase of investments		-	(114,881)	(5,189)	-	(107,898)	(3,388)
Sale of investments including currency movements		-	102,148	1,823	-	97,847	1,094
Gains and losses including currency movements		-	9,699	3,402	-	12,383	(652)
Advances of glebe, miscellaneous and car loans		-	(682)	-	-	(324)	-

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Repayment of glebe, miscellaneous and car loans		-		287	-
Purchase of fixed assets	1	(112)	545	-	-
NET CASH FLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENTS		(112)	(3,171)	36	(2,946)
FINANCING					
Net cash (outflow)/inflow for specific trusts		-	-	(2,018)	1,121
NET CASH FLOW FROM FINANCING		-	-	(2,018)	1,121
INCREASE/(DECREASE) IN CASH	9	512	(7,253)	(1,982)	1,932

Signed: *RS Neill*
HJ Saville

Date: *10 March 2015*

THE REPRESENTATIVE BODY OF THE CHURCH OF IRELAND**NOTES TO THE FINANCIAL STATEMENTS****PAGE 14**

1 TANGIBLE FIXED ASSETS

	Premises	Furniture and fittings	Office equipment	Total
	€'000	€'000	€'000	€'000
<u>Cost</u>				
At beginning of year	5,096	503	1,670	7,269
Additions	-	9	83	92
Disposals	-	-	-	-
Currency adjustment	13	-	7	20
At end of year	<u>5,109</u>	<u>512</u>	<u>1,760</u>	<u>7,381</u>
<u>Depreciation</u>				
At beginning of year	1,049	414	1,355	2,818
Charge for year	113	20	101	234
Disposals	-	-	-	-
Currency adjustment	4	-	5	9
At end of year	<u>1,166</u>	<u>434</u>	<u>1,461</u>	<u>3,061</u>
<u>Net book value</u>				
At beginning of year	<u>4,047</u>	<u>89</u>	<u>315</u>	<u>4,451</u>
At end of year	<u>3,943</u>	<u>78</u>	<u>299</u>	<u>4,320</u>

THE REPRESENTATIVE BODY OF THE CHURCH OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

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2(a) GENERAL FUNDS – ANALYSIS OF FUND ASSETS

	2014 €'000	2013 €'000
<u>Investments at valuation</u>		
Ireland		
Government bonds	12,368	10,050
Corporate bonds	18,777	11,228
Equities	1,973	790
Property Unit trust	14,807	11,839
United Kingdom		
Bonds	3,853	15,036
Equities	28,061	25,469
Managed Investment Funds	3,041	-
Europe		
Bonds	2,204	4,867
Equities	44,876	44,403
North America		
Bonds	7,536	6,231
Equities	15,405	5,748
Managed Investment Funds	3,595	-
Rest of the world		
Equities	5,782	4,431
	<u>162,278</u>	<u>140,091</u>
<u>Other assets</u>		
Cash	10,639	17,931
Total Invested Assets 2(a)	<u>172,917</u>	<u>158,022</u>
2(b) FINANCIAL INSTRUMENTS		
Financial Instrument	<u>(7,276)</u>	<u>(3,765)</u>

THE REPRESENTATIVE BODY OF THE CHURCH OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

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2(b) FINANCIAL INSTRUMENTS (CONTINUED)

During the year the RCB entered into stock options and index covered calls. The market value of open options and indexed covered calls at the balance sheet date was €5.83m (2013: €3.77m). This value is included in current liabilities under financial instruments in the Balance Sheet.

General Funds received premiums for stock options and index covered calls during the year totalling €3.14m (2013: €3.33m) and paid premium to close out positions totalling €2.37m (2013: nil), giving net premiums for the year of €0.77m. Premiums at the year end on open options entered into during 2014 amounted to €3.09m together with premium of €1.27m on open options carried forward from 2013. The total premium on open options of €4.36m together with the unrealised valuation loss of €1.47m, is the market value of open options at the year end and are included in the Balance Sheet as a financial liability. Realised losses on closed options of €0.27m and the unrealised valuation loss of €1.47m are included in the SoFA. Sold call options are covered by quoted equity positions and cash collateral. Sold put options and indexed covered calls are covered by cash collateral.

During the year General Funds entered into a currency loan of €1.44m with an investment broker. General Funds purchased US\$ which was financed by a matching Japanese Yen loan. The US\$ are shown as cash in investments and the Japanese Yen are shown as a financial liability in the Balance Sheet.

2(c) INVESTMENT AT FAIR VALUE

FRS29 requires the RCB to classify fair value measurements using a fair value hierarchy that reflects the significance of inputs used in making the measurements.

The fair value hierarchy has the following levels:

Level 1 - Valuation based on quoted prices in an active market.

Level 2 - Valuation techniques used to price securities based on observable inputs which is based on the underlying value of the assets which have been independently valued by professionals.

Level 3 - Inputs for the asset or liability that are not based on observable market data.

THE REPRESENTATIVE BODY OF THE CHURCH OF IRELAND**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED****PAGE 17**

2(c) INVESTMENT AT FAIR VALUE (CONTINUED)

The following is an analysis of the RCB's financial assets and liabilities measured at fair value as at 31 December 2014 and 31 December 2013. No assets or liabilities are valued at Level 3.

	2014		2013	
	Level 1 €'000	Level 2 €'000	Level 1 €'000	Level 2 €'000
Financial assets at fair value				
Debt Securities	44,738	-	47,412	-
Equity	89,312	138	80,840	-
Gold	6,647	-	-	-
Managed Funds	4,653	1,983	-	194
Cash	10,639	-	17,931	-
Managed Funds - property	-	14,807	-	11,645
	<u>155,989</u>	<u>16,928</u>	<u>146,183</u>	<u>11,839</u>

The RCB invests the majority of its assets in investments that are traded in an active market and can be readily disposed of.

2(d) SECURITIES LENDING

The invested assets of General Funds include securities on loan at year end with a market value of €9.15m (2013: €4.39m). The loaned securities continue to be carried as investment assets in General Fund investments in the Balance Sheet. The lending agreement requires collateral to be provided by the borrowers of the securities. General Funds hold non cash collateral of €9.76m (2013: €4.62m) in respect of these securities. This collateral is not recorded as an asset with a matching liability in the Balance Sheet. The income received due to securities lending activities is included in income from investments in the SoFA and totals €78k for the year (2013: €15k).

3 PARISH, DIOCESAN AND OTHER TRUST FUNDS

	2014 €'000	2013 €'000
RB General Unit Trusts	245,238	213,268
Cash	674	674
	<u>245,912</u>	<u>213,942</u>

**THE REPRESENTATIVE BODY OF THE CHURCH OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**

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4 FUNDS EMPLOYED

	Balance at 1.1.14 €'000	Net before gains and losses €'000	Currency translation movements €'000	Pension & reserve movements €'000	Recognised gains/ (losses) €'000	Profit on investment sales €'000	Revaluation movements €'000	Balance at 31.12.14 €'000
Capital invested	156,466	-	1,860	(5,350)	-	8,570	6,383	167,929
Unrealised surplus on revaluation of property	367	-	-	-	-	-	-	367
Invested assets	156,833	-	1,860	(5,350)	-	8,570	6,383	168,296
Less - Staff pension deficit	(4,516)	-	-	350	3	-	-	(4,163)
Net capital invested	152,317	-	1,860	(5,000)	3	8,570	6,383	164,133
Designated reserves								
Allocations reserve for following year (Note 6)	3,870	-	-	110	-	-	-	3,980
Allocations equalisation reserve	4,383	(5,158)	132	4,889	-	-	31	4,277
Staff pensions reserve	96	-	-	1	-	-	-	97
Sundry designated reserves	775	-	6	-	53	-	-	834
	161,441	(5,158)	1,998	-	56	8,570	6,414	173,321

General Funds capital movements records the transfer of €5.0m to support the solvency of the Clergy Pensions Fund and €350,000 to support the Staff Pension Fund.

THE REPRESENTATIVE BODY OF THE CHURCH OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

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5 COSTS OF OPERATIONS	2014 €'000	2013 €'000
Cost of generating funds		
Payroll and related costs	1,392	1,366
Less - payroll costs recharged	(231)	(323)
	<u>1,161</u>	<u>1,043</u>
External managers	210	212
Office supplies, repairs and taxes	193	168
Depreciation	122	128
	<u>1,686</u>	<u>1,551</u>
Cost of charitable activities		
Payroll and related costs	677	664
Less - payroll costs recharged	(222)	(222)
	<u>455</u>	<u>442</u>
Office supplies, repairs and taxes	120	105
Depreciation	77	80
RCB Library	228	221
	<u>880</u>	<u>848</u>
Cost of governance activities		
Payroll and related costs	350	344
Less - payroll costs recharged	(186)	(185)
	<u>164</u>	<u>159</u>
Office supplies, repairs and taxes	55	48
Depreciation	35	36
Audit fees	79	75
Central committee expenses	105	108
Episcopal electors expenses	5	7
	<u>443</u>	<u>433</u>
Other operating costs		
Professional fees	245	290
Pensions for retired staff	117	121
	<u>362</u>	<u>411</u>
Total cost of operations	<u>3,371</u>	<u>3,243</u>

THE REPRESENTATIVE BODY OF THE CHURCH OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

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5 COST OF OPERATIONS (CONTINUED)

RCB costs of operations arising are recovered from General Funds and Parish, Diocesan and Other Trust Funds where appropriate.

The activities falling under each function heading are set out in Accounting Policies (xiii), on page 10 of the financial statements.

6 ALLOCATIONS

	2015 €'000	2014 €'000	2013 €'000
(a) Reserve for following year			
Maintenance of the stipendiary ministry	1,320	1,254	1,484
Retired clergy and surviving spouses	139	257	494
Training of ordinands	1,513	1,447	1,398
General Synod activities	1,003	982	934
Miscellaneous financing	5	5	5
Reserve for following year (see Note 4)	<u>3,980</u>	<u>3,945</u>	<u>4,315</u>
(b) Expended in year		2014 €'000	2013 €'000
Allocation Expended in Year		3,945	4,315
Less - allocations over expended/(unexpended)		<u>22</u>	<u>(404)</u>
		<u>3,967</u>	<u>3,911</u>

The 2015 reserve for Allocations included in designated reserves in Note 4, is the gross amount committed by General Funds to be expended on wider Church activities in 2015. The value of subventions in 2014 was €112,878 (2013: €112,045) and is shown in incoming resources.

THE REPRESENTATIVE BODY OF THE CHURCH OF IRELAND**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED****PAGE 21**

7 PARISH, DIOCESAN AND OTHER TRUST FUNDS

	Balance at 1.1.14 €'000	Currency translation movements €'000	Capital changes/ movements €'000	Profit/ (loss) on sales €'000	Revaluation movements €'000	Balance at 31.12.14 €'000
(a) INVESTED CAPITAL						
Parish trusts and glebe sales	136,289	2,314	(2,598)	177	14,699	150,881
Diocesan stipend and general funds	26,876	674	22	12	2,893	30,477
Diocesan miscellaneous trusts	10,419	168	73	-	1,235	11,895
Diocesan episcopal funds	4,493	68	-	-	537	5,098
Less: diocesan car loans	(457)	(10)	93	-	-	(374)
	<u>177,620</u>	<u>3,214</u>	<u>(2,410)</u>	<u>189</u>	<u>19,364</u>	<u>197,977</u>
Sundry trusts	46,265	558	1,797	-	4,332	52,952
General Synod funds	9,595	125	55	-	1,132	10,907
Trusts for retired clergy and spouses	3,729	72	149	-	326	4,276
	<u>237,209</u>	<u>3,969</u>	<u>(409)</u>	<u>189</u>	<u>25,154</u>	<u>266,112</u>

THE REPRESENTATIVE BODY OF THE CHURCH OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

PAGE 22

7 PARISH, DIOCESAN AND OTHER TRUST FUNDS (CONTINUED)

(b) PARISH, DIOCESAN AND OTHER FUNDS RESERVES

	2014 €'000	2013 €'000
Designated		
Diocesan stipend & general funds	4,494	4,928
Parish endowments	110	103
Miscellaneous diocesan trusts	423	353
General Synod trusts	69	24
Other trust funds	6,486	5,356
Clergy pensions & related funds	293	265
Trust creditors	420	347
	<u>12,295</u>	<u>11,376</u>
Undesignated		
Auxiliary and Sundry Projects Funds	<u>1,047</u>	<u>881</u>
Summary - reserves		
Designated	12,295	11,376
Undesignated	1,047	881
	<u>13,342</u>	<u>12,257</u>

(c) SUMMARY - PARISH, DIOCESAN AND OTHER TRUST FUNDS

	2014 €'000	2013 €'000
Capital funds invested	266,112	237,209
Designated and undesignated reserves	13,342	12,257
	<u>279,454</u>	<u>249,466</u>
Net receipts/(withdrawals)		
Capital (withdrawals)/receipts (7a)	(409)	1,893
Movement in reserves (7b)	1,085	2,385
	<u>676</u>	<u>4,278</u>

8 CASH FLOW RECONCILIATION

The Cash Flow Statements have been prepared in accordance with Financial Reporting Standard No 1 as required by the Financial Reporting Council.

Reconciliation of surplus of incoming resources before allocations and distributions to net cash inflow:

	2014		2013		Parish, Diocesan and Other Trust Funds
	RCB €'000	General Funds €'000	RCB €'000	General Funds €'000	Trust Funds €'000
Net incoming resources before allocations and distributions	-	3,809	-	3,446	9,841
Other recognised losses	357	(357)	(365)	365	-
Change in other debtors	158	524	17	(625)	-
Change in creditors	(134)	3,303	289	171	-
Change in financial instruments	-	(2,044)	-	3,317	-
Net amortisation of fixed assets	243	-	243	-	-
Net cash inflow	624	5,235	184	6,674	9,841

	2014			2013			
	Notes	RCB €'000	General Funds €'000	Parish, Diocesan and Other Trust Funds €'000	RCB €'000	General Funds €'000	Parish, Diocesan and Other Trust Funds €'000
9 ANALYSIS OF CHANGES IN CASH DURING THE YEAR							
Net cash inflow/(outflow)		217	(7,411)	(2,739)	86	(62)	2,132
Effect of foreign exchange rate changes		-	453	757	-	(230)	(200)
Increase/(decrease) in cash		217	(6,958)	(1,982)	86	(292)	1,932
Balance at 1 January		969	21,750	36,198	883	22,042	34,266
Balance at 31 December	10	1,186	14,792	34,216	969	21,750	36,198
10 ANALYSIS OF CASH BALANCES							
Cash on short term deposit		-	4,153	33,542	-	3,897	35,524
Due from bankers		1,186	-	-	969	-	-
Cash held by investment managers		-	10,639	674	-	17,853	674
		1,186	14,792	34,216	969	21,750	36,198

THE REPRESENTATIVE BODY OF THE CHURCH OF IRELAND**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED****PAGE 24**

11 RETIREMENT BENEFITS

- (a) The RCB operates a contributory defined benefit pension scheme with assets held in a separately administered fund. The most recent triennial valuation was as at 1 January 2014 and is available for inspection by the scheme members. The scheme is closed to new members.

The 1 January 2014 valuation showed that the market value of the assets of the scheme was €10.7m which represented 74% of the benefits that had accrued to members after allowing for expected future increases in earnings.

The figures for the year ending 31 December 2014 under FRS17 (and comparatives for 31 December 2013) show that the fair value of the assets of the scheme to be €11.5m (€9.68m), and that this represents 73% of the value of benefits that had accrued to members as at that date. The fair value of assets has improved by €1.82m (18.8%) during the year and the actual return on the plan assets was €1.7m during the year. The present value of scheme liabilities as calculated by the actuary under FRS17 has increased from €14.20m to €15.7m in 2014. As required by FRS17 the valuation was prepared using the 'projected unit cost' method.

Amongst the assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments, the discount rate and the actuarial changes in mortality projections. The discount rate, as set by FRS 17, is based on the market yield at the valuation date of high quality corporate bonds, and was set at 2.15% (3.8%).

The actuarial calculation of the amounts to be recognised in the Statement of Financial Activities is shown in Note 12c following. The current service cost and net finance cost are included in resources expended.

- (b) Financial Reporting Standard 17 'Retirement Benefits' disclosures

The amounts recognised in the Balance Sheet are as follows:

	2014 €'000	2013 €'000
Present value of funded obligations	(15,663)	(14,197)
Fair value of plan assets	11,500	9,681
Pension liability in the Balance Sheet	<u>(4,163)</u>	<u>(4,516)</u>

THE REPRESENTATIVE BODY OF THE CHURCH OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

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11 RETIREMENT BENEFITS - CONTINUED

(c) **The amounts recognised in the Statement of Financial Activities are:**

	2014 €'000	2013 €'000
Interest cost	541	540
Expected return on plan assets	(377)	(451)
Net finance expense	164	89
Current service cost - included in costs of operations	228	217
	<u>392</u>	<u>306</u>
	2014 €'000	2013 €'000
Actuarial gains/(losses)		
Actual less expected return on scheme assets	1,287	315
Experience gains/(losses) on liabilities	807	257
Change in assumptions underlying the present value of the scheme liabilities	(807)	(257)
	<u>1,287</u>	<u>315</u>

The cumulative actuarial loss recognised up to and including the financial year ended 31 December 2014 is €6.36m (2013: €5.94m).

	2014 Pension Assets €'000	Pension Liabilities €'000	2014 Pension Deficit €'000	2013 Pension Deficit €'000
(d) Movement in Scheme Assets and Liabilities				
At 31 December 2013	9,681	(14,197)	(4,516)	(5,088)
Current service cost	-	(228)	(228)	(217)
Plan amendments	-	605	605	-
Interest on scheme liabilities	-	(541)	(541)	(540)
Expected return on scheme assets	377	-	377	451
Actual less expected return on scheme assets	1,287	-	1,287	315
Experience gains on liabilities	-	807	807	257
Changes in assumptions	-	(2,520)	(2,520)	(257)
Benefits paid	(430)	430	-	-
Premiums paid	(32)	32	-	-
Contributions by plan participants	51	(51)	-	-
Employer contributions paid	566	-	566	563
At 31 December 2014	<u>11,500</u>	<u>(15,663)</u>	<u>(4,163)</u>	<u>(4,516)</u>
Note - actual return on plan assets			1,664	766

THE REPRESENTATIVE BODY OF THE CHURCH OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

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11 RETIREMENT BENEFITS - CONTINUED

(e) **Risks and rewards arising from the assets**

At 31 December 2014 the scheme assets were invested in a diversified portfolio that consisted primarily of equity and debt securities and properties. The fair values of the scheme assets as a percentage of total scheme assets and target allocations are set out below:

	2014	2013	2012
(as a percentage of total scheme assets)	%	%	%
Equities	44	53	75
Bonds	47	18	17
Property	8	4	4
Cash/Other	1	25	4

(f) **Basis of expected rate of return on scheme assets**

The fixed interest fund run by investment managers contains a mix of gilts and corporate bonds with different earnings potential. Thus a range of different assumptions has been used to estimate the expected return.

In line with FRS102 the expected rate of return on assets is based on a discount rate of 2.15%.

(g) **The principal actuarial assumptions at the balance sheet date:**

	2014	2013
	%	%
Discount rate	2.15	3.80
Future salary increases	2.00	2.50
Future pension increases	1.00	2.00
Inflation rate	1.50	2.00

THE REPRESENTATIVE BODY OF THE CHURCH OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

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11 (g) RETIREMENT BENEFITS - CONTINUED

Assumptions regarding future mortality are set based on advice from published statistics and experience. The average life expectancy in years for a pensioner retiring aged 65 is as follows:

	2014	2013
Male	23.5	23.3
Female	25.5	24.8

Amounts for the current and previous four years are as follows:

	2014	2013	2012	2011	2010
Present value of the defined benefit obligation (€'000)	(15,663)	(14,197)	(13,815)	(10,975)	(10,869)
Fair value of plan assets (€'000)	11,500	9,681	8,727	7,609	7,674
Pension (deficit) (€'000)	(4,163)	(4,516)	(5,088)	(3,366)	(3,195)
Experience adjustments on plan liabilities as a percentage of scheme liabilities at the balance sheet date	5.0%	2.0%	0.0%	6.71%	0.84%
Experience adjustments on plan assets as a percentage of scheme assets at the balance sheet date	11.0%	3.0%	5.0%	(11.55%)	5.3%

12 SPECIAL PENSION CONTRIBUTIONS AND CHARGES

A special contribution of €5m was made in 2014 to support the solvency of the Church of Ireland Clergy Pensions Fund.

The movement in the Staff Pension Scheme amounting to €3,000 consists of €353,000, being the reduction in the actuarially calculated deficit under FRS17 after charging a capital injection into the fund of €350,000.

THE REPRESENTATIVE BODY OF THE CHURCH OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

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13 FINANCIAL RISK

The main risks to the RCB relating to its holding of investments and other financial instruments are market price, foreign currency, interest rate, liquidity and credit risk.

(a) Market Price Risk

Market risk arises mainly from uncertainty about future prices of investments and other financial instruments held. It represents the potential loss the RCB might suffer through holding market positions in the face of price movements. The Investment Committee considers the asset allocation of the portfolio in order to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the RCB's investment objective.

(b) Foreign currency risk

A portion of the financial assets/net assets of the RCB is denominated in currencies other than euro with the effect that the Balance Sheet and total return can be affected by currency movements. The RCB does not hedge against foreign currency risk.

The following sets out the RCB's total exposure to foreign currency risk.

	2014	2013
	Total	Total
	€'000	€'000
Currency		
US Dollars	23,815	16,292
Sterling	15,912	43,218
Swiss Francs	7,843	7,577
Hong Kong Dollars	2,240	1,810
Swedish Krone	1,842	2,521
Norwegian Krone	1,439	2,399
Danish Krone	1,301	1,980
Turkish Lira	1,228	-
Brasilian Real	1,006	754
Total of other currencies	1,284	2,355
	<u>57,910</u>	<u>78,906</u>

The rates of exchange used at 31 December 2014 for significant currency exposures:

Sterling	0.7765
US Dollars	1.2098
Swiss Francs	1.2030
Hong Kong Dollars	9.3825
Swedish Krone	9.4441
Norwegian Krone	9.0162
Danish Krone	7.4471

THE REPRESENTATIVE BODY OF THE CHURCH OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

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13 FINANCIAL RISK (CONTINUED)

(c) Interest Rate Risk

The RCB has interest bearing assets but does not have interest bearing liabilities.

The interest profile of the RCB's interest bearing financial assets at 31 December 2014 was:

	2014		2013	
	Total interest bearing €'000	Interest bearing at fixed rate €'000	Total interest bearing €'000	Interest bearing at fixed rate €'000
Sterling	-	-	15,036	15,036
Euro	44,738	37,661	32,376	32,376
Total	44,738	37,661	47,412	47,412

	Fixed interest rate financial assets			
	2014		2013	
	Weighted average interest rate %	Weighted average period for which rate is fixed (years)	Weighted average interest rate %	Weighted average period for which rate is fixed (years)
Sterling	-	-	4.49	13.38
Euro	5.41	11.63	4.65	9.47

Note: In 2014 all interest bearing assets (euro, sterling and US dollars) are disclosed in euro. In 2013 interest bearing assets were disclosed in both sterling and euro.

(d) Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The RCB invests the majority of its assets in investments that are traded in an active market and can be readily disposed of.

13 FINANCIAL RISK (CONTINUED)

(e) Credit Risk

The RCB will be exposed to a credit risk in relation to parties with whom it trades and will bear the risk of settlement default. The RCB minimises concentrations of credit risk by undertaking transactions with a number of brokers and counterparties on recognised and reputable exchanges.

APPENDIX A

**Extract from the accounts of
THE CHURCH OF IRELAND THEOLOGICAL INSTITUTE**

**INCOME AND EXPENDITURE ACCOUNT
For the year ended 30 June 2014**

	2014	2013
	€	€
Income		
Grants from General Synod	765,000	748,184
Divinity student fees	169,058	133,400
Receipts from guests and conference	67,770	76,521
Non-stipendiary ministry training	2,825	3,700
Clergy study courses	4,717	2,403
Interest	-	3
Foundation course	29,376	49,070
CME/lay training	98,878	82,955
Children's ministry	-	8,299
	<u>1,137,624</u>	<u>1,104,535</u>
Expenditure		
Academic expenses	521,909	480,021
Administration expenses	107,428	107,409
Operating expenses	291,909	305,700
Establishment expenses	197,847	218,779
	<u>1,119,093</u>	<u>1,111,909</u>
Surplus/(Deficit) for the year	18,531	(7,374)
Balance at beginning of the year	(7,374)	(8,132)
Funding adjustment in respect of previous year deficit	7,374	8,132
Balance at the end of the year	<u><u>18,531</u></u>	<u><u>(7,374)</u></u>

Income and the surplus arose solely from continuing operations. There were no other recognised gains or losses other than those dealt with above.

The Representative Church Body – Report 2015

**Extract from the accounts of
THE CHURCH OF IRELAND THEOLOGICAL INSTITUTE**

BALANCE SHEET

As at 30 June 2014

	2014	2013
	€	€
EMPLOYMENT OF CAPITAL		
Current assets		
Sundry debtors	38,300	49,264
Bank deposit accounts	6,018	6,018
Bank current accounts	90,592	18,142
Cash on hand	15	1
	<hr/>	<hr/>
	134,925	73,425
Creditors – amounts falling due within one year	(109,780)	(74,659)
	<hr/>	<hr/>
Net current assets/(liabilities)	25,145	(1,234)
Total assets less current liabilities	25,145	(1,234)
Creditors – amounts falling due after more than one year	(5,944)	(5,944)
	<hr/>	<hr/>
Net assets/(liabilities)	19,201	(7,178)
	<hr/>	<hr/>
Capital and trust funds		
Accumulated surplus/(deficit)	18,531	(7,374)
Ferrar Memorial Fund for Liturgical Library	50	25
Gregg Memorial Fund for College Library	620	171
	<hr/>	<hr/>
	19,201	(7,178)
	<hr/>	<hr/>

APPENDIX B

ANNUALISED FUND PERFORMANCES – COMPARATIVE TOTAL RETURNS

	valuation (millions) 2014	valuation (millions) 2013	2014 %	3-year annualised 2012-2014 %	5-year annualised 2010-2014 %
General Funds (combined)	€162.4	€151.0	15.3	16.5	11.5
Benchmark			15.2	14.9	9.9
Relative Performance			0.1	1.5	1.6
Parochial, Diocesan Funds etc					
RB General Unit Trust (RI)	€187.7	€163.3	17.8	16.5	10.3
Benchmark			15.2	15.7	9.8
Relative Performance			2.6	0.8	0.5
RB General Unit Trust (NI)	£44.7	£41.5	9.6	12.4	9.7
Benchmark			9.3	10.7	8.2
Relative Performance			0.3	1.7	1.5
Clergy Pensions Fund	€163.5	€140.6	19.0	14.8	10.6
Benchmark			16.0	14.1	10.1
Relative Performance			3.0	0.7	0.5
<i>Bond Market Indices /Benchmark components</i>					
ML Irish Govt Bond Index			13.9	18.1	9.6
ML European Broad Mkt Bond Index			11.1	8.1	5.9
ML Sterling Broad Mkt Bond Index			13.9	5.6	7.6
<i>Equity Market Indices /Benchmark components</i>					
Dow Jones Stoxx 600 (€)			7.6	15.7	9.8
S&P 500 (USD)			13.7	20.4	15.5
FTSE 100 (£)			0.7	9.6	7.8

APPENDIX C

ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICY – INTEGRATING ESG INTO INVESTMENT DECISIONS 2014

ANNUAL REVIEW AND REPORT OF THE INVESTMENT COMMITTEE TO THE REPRESENTATIVE CHURCH BODY

As the Trustee of the Church of Ireland, The Representative Church Body is tasked with supporting the ministry of the Church for generations to come. This objective is supported through the prudent management of investments. As a religious organisation, stewardship obligations are more than purely for financial benefit and the RCB has a responsibility to invest in a manner consistent with the witness and ethos of the Church of Ireland. This leads us to consider long-term environmental, social and governance factors (ESG) when we make investment decisions, manage our investments and engage with companies in which we invest. The RCB takes the view that that this approach will also contribute positively towards the long-term sustainability of the asset base.

What is ESG?



The impact of ESG on financial performance tends to emerge gradually over time. These factors can have clear, direct impacts on a company's short term profitability, for example, through greater regulation leading to higher operating costs. They can also have indirect impacts on a company's long-term performance by influencing branding, customer loyalty, ability to attract talent etc.

The RCB believes that organisations which manage ESG factors effectively are likely to create sustainable value over the long term and hence are considered an essential component of investment analysis. This approach is adopted both by the in-house investment team and by any active manager appointed by the RCB.

The RCB actively seeks to avoid investment in businesses which would be inconsistent with the ethos and mission of a Christian organisation. For this reason it does not invest

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in companies where a significant source of revenue (in excess of 10%) is derived from strategic military sales and/or from the manufacture of tobacco products. From time to time companies may have or acquire exposure to interests which we would prefer to avoid via subsidiaries and/or takeovers and these are reviewed on a case by case basis by the Investment Committee.

How is ESG implemented?

Integrate ESG into Investment Decisions	Actively Engage as Owners	Make an impact through Collaboration
<ul style="list-style-type: none">• Integrate material ESG factors into due diligence, investment analysis, monitoring and asset management	<ul style="list-style-type: none">• Act as a constructive, active owner by advocating progress on defined areas and exercising our voting rights as shareholders	<ul style="list-style-type: none">• Collaborate with other like minded global investors via the Church Investors Group (CIG) to advocate for better performance on ESG factors in companies and markets in which we invest

Companies may also be excluded from time to time because of unethical behaviour or consistent breaches of core ESG principles. Exclusion should always be a measure of last resort once the company's will and commitment to improve its practices have been assessed.

As shareholders, we seek to be active, engaged and informed owners. We endeavour to monitor ESG factors and to engage with companies to promote improved management of ESG in order to enhance long-term outcomes in the companies for the benefit of Church of Ireland beneficiaries. Engagement is most frequently undertaken as part of a wider collaborative group through our membership of the Church Investors Group.

Third party research is used to identify companies globally that may be ineligible for investment under our policy. Such research is not exhaustive and resources are limited, but RCB is committed to having a strong 'ethical' as well as a strong financial 'balance sheet'.

The Investment Committee monitors ESG issues on an on-going basis and conducts a detailed ESG review of its investments annually to ensure that the investments held for all funds remain consistent with the RCB's ESG policy and that the investment managers continue to be sensitive to the Church's expectations on environmental, social and governance issues in their investment decision-making process.

March 2015

APPENDIX D

GENERAL UNIT TRUSTS

FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2014

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THE RB GENERAL UNIT TRUST (REPUBLIC OF IRELAND)
STATEMENT OF TOTAL RETURN YEAR ENDED 30 JUNE 2014

	30-Jun-14 €'000	30-Jun-13 €'000
Income	6,406	6,862
Expenses	(26)	(23)
Net income	<u>6,380</u>	<u>6,839</u>
Distributions	<u>(6,138)</u>	<u>(6,098)</u>
Transfer to dividend equalisation reserve	242	741
Net gains / (losses) on investment activities		
- Net realised gains	11,359	11,845
- Net change in unrealised gains on investments	3,346	6,889
- Net change in currency exchange gains/(losses)	<u>2,691</u>	<u>(2,366)</u>
Net increase in net assets from investment activities	17,638	17,109
Funds brought forward	162,181	145,050
Proceeds from units issued	2,667	412
Cost of units redeemed	<u>(1,312)</u>	<u>(390)</u>
Funds carried forward	<u><u>181,174</u></u>	<u><u>162,181</u></u>

Signed on behalf of the Trustee:

RS Neill

HJ Saville

Date:

17 October 2014

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THE RB GENERAL UNIT TRUST (REPUBLIC OF IRELAND)

BALANCE SHEET AS AT 30 JUNE 2014

	30-Jun-14 €'000	30-Jun-13 €'000
Investments	<u>181,936</u>	<u>159,155</u>
Current assets		
Debtors	<u>3,490</u>	<u>3,250</u>
Current liabilities		
Financial instruments	4,180	151
Creditors (amounts falling due within one year)	<u>72</u>	<u>73</u>
	4,252	224
Net current assets	<u>(762)</u>	<u>3,026</u>
Total assets	<u><u>181,174</u></u>	<u><u>162,181</u></u>
Trust capital fund	<u><u>181,174</u></u>	<u><u>162,181</u></u>

Signed on behalf of the Trustee:

RS Neill

HJ Saville

Date:

17 October 2014

THE RB GENERAL UNIT TRUST (NORTHERN IRELAND)
STATEMENT OF TOTAL RETURN YEAR ENDED 30 JUNE 2014

	30-Jun-14 £	30-Jun-13 £
Income	1,589	1,819
Expenses	<u>(10)</u>	<u>(8)</u>
Net income	1,579	1,811
Distributions	(1,539)	(1,478)
Transfer to dividend equalisation reserve	40	333
Net gains / (losses) on investment activities		
Net realised gains	2,770	4,065
Unrealised gains/(losses) on investments	257	(46)
Unrealised exchange (losses)/gains on currency movements	<u>(1,532)</u>	<u>896</u>
Net increase in net assets from investment activities	<u>1,535</u>	<u>5,248</u>
Funds brought forward	41,011	35,377
Proceeds from units issued	1,832	445
Cost of units issued	<u>(375)</u>	<u>(59)</u>
Funds carried forward	<u><u>44,003</u></u>	<u><u>41,011</u></u>

Signed on behalf of the Trustee:

RS Neill

HJ Saville

Date:

17 October 2014

The Representative Church Body – Report 2015

THE RB GENERAL UNIT TRUST (NORTHERN IRELAND)

BALANCE SHEET AS AT 30 JUNE 2014

	30-Jun-14 £'000	30-Jun-13 £'000
Investments	<u>44,349</u>	<u>40,394</u>
Current assets		
Debtors	<u>742</u>	<u>686</u>
Current liabilities		
Financial instruments	1,066	63
Creditors (amounts falling due within 1 year)	<u>22</u>	<u>6</u>
	1,088	69
Net current assets	<u>(346)</u>	<u>617</u>
Total fund net assets	<u><u>44,003</u></u>	<u><u>41,011</u></u>
Trust capital fund	<u><u>44,003</u></u>	<u><u>41,011</u></u>

Signed on behalf of the Trustee:

RS Neill

HJ Saville

Date:

17 October 2014

APPENDIX E

**THE CHURCH OF IRELAND
CLERGY PENSIONS TRUSTEE LIMITED
REPORT ON THE CLERGY PENSIONS FUND
FOR THE
YEAR ENDED 31 DECEMBER 2014**

The Representative Church Body – Report 2015

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THE TRUSTEE AND ITS ADVISORS

Trustee	The Church of Ireland Clergy Pensions Trustee Limited
Registered Office	Church of Ireland House, Church Avenue, Rathmines, Dublin 6 Tel 01-4978422 Fax 01-4978821 Email pensionstrustee@rcbdub.org Web www.ireland.anglican.org/clergypensions Company Registered in Ireland No 492302 The Representative Church Body is the sole member of the Company.
Trustee Directors	<i>Nominated by the RCB Executive Committee</i> Mr Terence Forsyth Mr Geoffrey Perrin Mr John Wallace (Chairman) <i>Nominated by the Church of Ireland Pensions Board</i> Rt Rev Paul Colton Mr Bruce Maxwell
Company Secretary	Mr Adrian Clements, Chief Officer and Secretary, Representative Church Body
Fund Management and Advisory	The Representative Church Body, Church of Ireland House, Church Avenue, Rathmines, Dublin 6
Primary Investment Managers	Irish Life Investment Managers, Beresford Court, Dublin 1
Investment Custodians	Citibank, 1 North Wall Quay, Dublin 1
Scheme Actuary	Mr Liam Quigley, Mercer, Charlotte House, Charlemont Street, Dublin 2
Consulting Actuaries	Mercer Actuarial Services, Charlotte House, Charlemont Street, Dublin 2
Auditors	PricewaterhouseCoopers, Chartered Accountants and Registered Auditors, Spencer Dock, Dublin 1
Solicitor	Mr Mark McWha, Senior Solicitor, Representative Church Body
Bankers	Bank of Ireland, College Green, Dublin 2 Bank of Ireland, Talbot Street, Dublin 1
Sponsor	The Representative Church Body, Church of Ireland House, Church Avenue, Rathmines, Dublin 6
Registered Administrator	The Representative Church Body, Church of Ireland House, Church Avenue, Rathmines, Dublin 6
Enquiries	The Company Secretary, Church of Ireland Clergy Pensions Trustee Limited, Church of Ireland House, Church Avenue, Rathmines, Dublin 6

The Clergy Pensions Fund is Pensions Authority* Scheme no PB1667.

* The new name for *An Bord Pinsean* from 7 March 2014

INTRODUCTION

The Trustee presents its annual report on the operation of the Clergy Pensions Fund for the year ended 31 December 2014. The report covers the main areas of Fund activity including financial statements, actuarial and investment management, and also looks at developments during the year. The content of this report conforms to the Occupational Pensions Schemes (Disclosure of Information) Regulations, 2006 prescribed by the Minister for Social Protection under the Pensions Act 1990.

OPERATIONAL REPORT 2014

Financial position of the Fund

In the year the assets of the Fund grew by €22.9m to a value of €163.6m at 31 December 2014. Part of this growth was due to a final special contribution of €5m which was added to the capital of the Fund by the Representative Church Body as Sponsor, such capital injections amounting to €25m in the years 2010 to 2014. The value of the assets of the Fund has more than doubled, an increase of €86.4m, since the end of 2008. The Fund, 85% of which at the year end was managed passively to track selected indices, produced a total return of 19.0%, against a benchmark for a fully passively managed fund of 16.0%.

In the same period the actuarial benchmarks for calculating the liabilities of the Fund have changed markedly, influenced by the actions of central governments to suppress interest rates in the drive for revived economic growth.

The liabilities of the Fund are the capitalised value of the benefits payable to members now and in the future. They are calculated by reference to the cost of purchasing high quality government bonds with a view to providing the flow of income needed to meet the benefits payable. Very low interest rates increase the cost of purchasing such bonds, and thus the actuarially calculated liability increases.

The development of the Fund is monitored by the Actuary and a full valuation is carried out at intervals of not more than three years. The last Triennial Valuation was carried out as at 30 September 2012 and showed that the Fund did not satisfy the statutory Minimum Funding Standard under Section 44 of the Pensions Act. As required by the regulations, during 2013 a Funding Proposal was submitted to and accepted by the Pensions Authority as a robust and credible plan for bringing the Fund back to full solvency over the 10 year period to 2023. A summary of the Funding Proposal is set out at Annex 2 (page 128).

The Actuary states in his annual assessment that the Fund did not satisfy the Minimum Funding Standard as at 31 December 2014. Commenting on progress under the Funding Proposal, he is reasonably satisfied that the Funding Proposal is on track but states that there is a significant risk that it will go off track in future. The Trustee will continue to monitor developments closely in the short to medium term.

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Copies of the Actuarial Funding Certificate and Funding Standard Reserve Certificate as submitted to the Pensions Authority following the last Triennial Valuation are included as Annex 3 to this report (page 129). A copy of the Actuary's Statement as at 31 December 2014 is included as Annex 4 (page 132).

Contributions and outgoings

The contributions received into the Fund represent the levy payable by dioceses in respect of each recognised stipendiary office and the special contribution of €5m by the Representative Church Body as Sponsor, and together these amount to €7.6m in 2014. Benefits and expenses totalled €8.6m.

Details of contributions and expenses are set out in the accounts of the Fund, commencing on page 105.

Government levy on pensions (Republic of Ireland)

A levy, or tax, on the assets of pension funds was introduced in 2011 by the Irish Government, and was to be in place for the four years to 2014. The levy was set at 0.6% of relevant asset value, being the assets providing for benefits of members based in the Republic of Ireland. The charges for 2011 and 2012 were paid from the assets of the Fund and amounted to €320,000 and €342,000 respectively.

As notified in correspondence to members and pensioners, the Sponsor was not in a position to provide for the cost of the tax for 2013 and 2014 and it was agreed by the Trustee that it should be borne by the members based in the Republic of Ireland. In 2013 the impact on benefit was a reduction of 0.49%, and that reduction was effected as at 1 January 2014. In October 2013, the Government in the Republic of Ireland announced a new levy on pension assets at a rate of 0.15%. This was introduced in 2014, running concurrently with the final year of the previous 0.6% levy, and is set to continue into 2015. The impact of the 2014 levies on benefit was a reduction of 0.65%, implemented on 1 January 2015. The levy applicable in 2015 will be at a rate of 0.15%.

Membership

Details on the membership of the Fund are reported by the Church of Ireland Pensions Board in Annex 1 to this report (see page 122). The Fund was closed to new members and to future accruals of pensionable service on 31 May 2013.

Administrative duties

The Trustee is pleased to report that the Fund has been administered in accordance with all regulatory requirements during the year. Under the structures established in 2011 various duties in relation to the operation of the Fund were carried out during 2014 by the RCB administration department, the Church of Ireland Pensions Board and the RCB Investment Committee. We wish to thank each of these for their assistance and support to the Trustee in its management of the Fund.

Discretionary increases to pensions in payment

In accordance with the Rules of the scheme, annual discretionary increases to pensions in payment are permitted up to a maximum of 5% as the Trustee on the advice of the Actuary and with the approval of the RCB may determine. Due to the financial state of the Fund, no discretionary increases in pensions in payment have been applied since 2009 and in accordance with the Funding Proposal this remains the position for 2015.

Statutory increases in UK pensions for service post April 1997

Under UK pensions legislation statutory increases must be applied to a pension which relates to service completed in that jurisdiction for the period (i) 6 April 1997 to 5 April 2005 or normal retirement age, if earlier, by the annualised rate of inflation up to a maximum of 5% and (ii) 6 April 2005 to date of retirement, whether that be on or before normal retirement age, by the annualised rate of inflation up to a maximum of 2.5%.

The UK annualised rate of inflation to September 2014 was 1.2% and accordingly on 1 January 2015 under (i) above a 1.2% increase was applied and under (ii) a 1.2% increase was applied. These increases relate to the service periods outlined at (i) and (ii) in the previous paragraph.

There is no similar pensions legislation in the Republic of Ireland.

Deferred pensions

Deferred pensions are revalued in accordance with the relevant statutory provisions.

Pensionable Stipend

Pensionable Stipend is used to calculate the value of pension benefits payable. In accordance with the provisions of Chapter XIV of the *Constitution of the Church of Ireland*, levels of Pensionable Stipend for Northern Ireland and the Republic of Ireland are fixed annually by the Standing Committee on the recommendation of the Representative Church Body and the Trustee.

In accordance with the Funding Proposal for the Fund, it was agreed by the Standing Committee in September 2014 on the recommendation of the RCB and the Trustee that Pensionable Stipend levels with effect from 1 January 2015 should remain unchanged from 2014 at £25,498 per annum in Northern Ireland and €36,219 per annum in the Republic of Ireland.

Additional Voluntary Contributions (AVC) fund

The report on the AVC Fund for 2014 is contained in the report from the Church of Ireland Pensions Board, set out in Annex 1 to this report (see page 125).

CONSTITUTION AND GOVERNANCE OF THE FUND

The Clergy Pensions Fund is a defined benefit scheme and is established under Chapter XIV of the *Constitution of the Church of Ireland* as amended from time to time by the General Synod.

The Fund has been approved by the Revenue Commissioners as a retirement benefits scheme under Part 30, Chapter I of the Taxes Consolidation Act, 1997, and is treated as an ‘exempt approved scheme’ for the purposes of that Act. In addition, the Fund, has been approved by the Board of the Inland Revenue of the United Kingdom as a retirement benefits scheme for the purposes of Chapter I, Part XIV, Income and Corporation Taxes Act 1988 and is treated as an ‘exempt approved scheme’ for the purposes of Section 592 of that Act in relation to its provision of pension benefits to those members of the clergy who are living in Northern Ireland.

The Trustee

The Church of Ireland Clergy Pensions Trustee Limited is the sole Trustee of the Church of Ireland Clergy Pensions Fund and is responsible for the stewardship of the Fund assets in accordance with the provisions of Chapter XIV of the *Constitution of the Church of Ireland* (the Trust Deed and Rules of the Fund). The powers and duties of the Trustee are set out in section 12(1) of Chapter XIV. In accordance with the provisions of Chapter XIV certain duties have been delegated by the Trustee to the Representative Church Body, the Church of Ireland Pensions Board and the RB Investment Committee. The Statement of the Trustee’s Responsibilities in relation to the financial statements is set out on page 108.

The Trustee Directors are appointed by the Representative Church Body, in accordance with the articles of the company, on the nomination of the Church of Ireland Pensions Board and the Executive Committee of the Representative Church Body. The Directors’ term of office was renewed for a further three years in December 2013. The Trustee Directors and the administrators have access to a copy of the Trustee Handbook and Guidance notes issued by the Pensions Authority. The Trustee Directors have completed appropriate training for their duties and responsibilities, however no costs or expenses were incurred by the Fund in respect of Trustee Director training during the year.

Management and administration of the Fund

The Representative Church Body was appointed by the Trustee as the Registered Administrator for the Fund. The duties of a registered administrator include preparing the Trustee Annual Report and Accounts, which should include at least the specific information set out in the regulations to the Pensions Act, and providing annual benefit statements to members. In addition to this, the RCB provides administration relating to investments, benefits and accounting controls.

The Church of Ireland Pensions Board also carries out certain duties relating to the administration of the Fund as delegated to the Board by the Trustee in accordance with

The Representative Church Body – Report 2015

the provisions of Chapter XIV of the *Constitution of the Church of Ireland*. A report from the Board is included in Annex 1 to this report (page 120).

Actuarial advice is provided by Mercer Actuarial Services, Dublin.

Investment management is undertaken by investment managers in accordance with a formal fund management agreement. The costs in relation to administration, administrative actuarial advice and investment management are charged to the Fund.

Citibank was the custodian of the unit-linked funds held by Irish Life Investment Managers (ILIM) for the Clergy Pensions Fund for the year ended 31 December 2014. In addition to the records maintained by the custodians, ILIM maintains its own records of securities. Both sets of records are reconciled regularly. The custodian has produced a report on its internal controls in accordance with SAS 70. The securities are held beneficially in the name of Irish Life Assurance plc on behalf of the Trustee of the Fund.

Statement of Risk

Under law, the Trustee is required to describe the condition of the Fund and the risks associated with the Fund, and disclose these to members.

The Trustee is satisfied that it is taking all reasonable steps, including the appointment of experienced professional advisers and administrators, to protect the members of the Fund from the effects of these risks. However, it is not possible to guard against every eventuality, and it is necessary to take some investment risk and other risks in order to manage the affordability of the plan benefits and the capacity of the Sponsor and the Church to meet this commitment.

The full risk statement can be found in Annex 5 to this report (page 133).

Investment policy

The investment objectives of the Fund are to optimise returns through diversified portfolios of fixed interest, equity, property and cash holdings, having regard to liability constraints, cash flow needs and interest rate and currency movements. The Trustee reviews investment objectives to ensure that they remain appropriate to the profile of the Fund.

The investment policy for the management of the assets of the Fund is set out in a Statement of Investment Policy Principles (SIPP), which was last updated in February 2015 and can be found at Annex 6 (page 135).

Following the closure of the Fund to new members and to future benefit accrual agreed at General Synod 2013 a revised investment strategy was adopted by the Trustee in consultation with the Sponsor and having taken expert investment and actuarial advice.

The equity and fixed interest elements of the Clergy Pensions Fund are managed by Irish Life Investment Managers on an indexed (passive) basis replicating the performance of

The Representative Church Body – Report 2015

particular indices. Certain equities are excluded in accordance with the Representative Church Body's Environmental, Social and Governance Policy.

Property and other investments are managed by other managers.

Internal Dispute Resolution

Under Irish pensions legislation all pension schemes are required to have an Internal Dispute Resolution (IDR) Procedure and disputes arising in connection with the administration of a pension scheme may not be brought to the Pensions Ombudsman unless they have, in the first instance, been processed through that scheme's IDR Procedure.

The trustees of every occupational pension scheme are required to establish internal procedures for resolution of disputes and to set out certain steps which must be included in those procedures. The Trustee has put in place such an IDR Procedure, which was last updated in 2011 and is available online at www.ireland.anglican.org/clergypensions or from the Pensions Administration Manager.

Member information

An Explanatory Booklet, designed to give a broad outline of the Fund and the benefits provided, is available to any member on request from the Pensions Administration Manager.

Benefit Statements as at 30 June are issued annually to all Fund members.

Further information

Queries about the Fund generally, or about individual members' entitlements should be directed to The Pensions Administration Manager, Church of Ireland House, Church Avenue, Rathmines, Dublin 6 (email pensions@rcbdub.org, tel +353-(0)1-4125630).

Copies of Chapter XIV of the *Constitution of the Church of Ireland*, which constitutes the Trust Deed and Rules, can be obtained online at www.ireland.anglican.org/clergypensions or from the Pensions Administration Manager.

Financial Statements

The Financial Statements of the Clergy Pensions Fund are set out in the following pages.

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THE CHURCH OF IRELAND CLERGY PENSIONS FUND

FINANCIAL STATEMENTS – PAGE 1

YEAR ENDED 31 DECEMBER 2014

THE CHURCH OF IRELAND CLERGY PENSIONS FUND

FINANCIAL STATEMENTS 2014

PAGE 2

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THE CHURCH OF IRELAND CLERGY PENSIONS FUND

TRUSTEE AND ADVISORS AND OTHER INFORMATION

PAGE 3

Trustee

The Church of Ireland Clergy Pensions Trustee Limited
Church of Ireland House
Church Avenue
Rathmines
Dublin 6

Actuaries

Mercer Actuarial Services
Charlotte House
Charlemont Street
Dublin 2

Auditors

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
One Spencer Dock
North Wall Quay
Dublin 1

Investment Managers

Irish Life Investment Managers
Beresford Court
Dublin 1

Sponsor

The Representative Church Body
Church of Ireland House
Church Avenue
Rathmines
Dublin 6

Solicitors

Mr Mark McWha
Senior Solicitor
The Representative Church Body

THE CHURCH OF IRELAND CLERGY PENSIONS FUND

STATEMENT OF THE TRUSTEE'S RESPONSIBILITIES

PAGE 4

The financial statements are the responsibility of the Trustee. Irish pensions legislation requires the Trustee to make available for each scheme year the annual report of the scheme, including audited financial statements and the report of the auditor. The financial statements are required to show a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the financial transactions for the scheme year and the asset and liabilities (other than liabilities to pay benefits in the future) at the end of the scheme year and include a statement whether the financial statements have been prepared in accordance with the Statement of Recommended Practice - Financial Reports of Pension Schemes (revised May 2007) (SORP), subject to any material departures disclosed and explained in the financial statements.

Accordingly, the Trustee must ensure that in the preparation of the scheme financial statements:

- suitable accounting policies are selected and then applied consistently;
- reasonable and prudent judgements and estimates are made; and
- the SORP is followed, or particulars of any material departures are disclosed and explained.

The Trustee confirms that it has complied with the above requirements in preparing the financial statements.

The Trustee is required by law to have appropriate procedures in place throughout the year under review, to ensure that:

- contributions payable are received by the Trustee in accordance with the timetable set out in section 58A of the Act where applicable to the contributions and otherwise within 30 days of the end of the scheme year; and
- contributions payable are paid in accordance with the rules of the Fund.

During the year such procedures were always applied on a timely basis and contributions have been paid in accordance with the rules.

The Trustee is responsible for ensuring that proper membership and financial records are kept on a timely basis sufficient to enable an Annual Report to be prepared for the scheme containing the information specified in Regulation 7 of the Occupational Pension Schemes (Disclosure of Information) Regulations 2006. It is also responsible for safeguarding the assets of the pension scheme and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities, including the maintenance of an appropriate system of internal control.



Independent Auditors' Report to the Trustee of the Church of Ireland Clergy Pensions Fund

We have audited the financial statements of the Church of Ireland Clergy Pensions Fund for the year ended 31 December 2014 which comprise the Fund Account, The Statement of Net Assets, the Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is Irish pension law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

Respective responsibilities of trustee and auditors

As explained more fully in the Statement of Trustee's Responsibilities set out on page 4, the trustee is responsible for the preparation of the financial statements showing a true and fair view, and for ensuring that contributions are made to the scheme in accordance with the scheme's rules and the recommendation of the actuary. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish pension law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the scheme's trustee as a body in accordance with Section 56 of the Pensions Act 1990 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the scheme's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustee; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion, the financial statements:

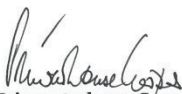
- show a true and fair view of the financial transactions of the scheme during the year ended 31 December 2014 and of the amount and disposition of its assets and liabilities (other than liabilities to pay pensions and other benefits in the future) at that date; and
- have been prepared in accordance with Generally Accepted Accounting Practice in Ireland.



Opinions on other matters prescribed by the Occupational Pension Schemes (Disclosure of Information) Regulations, 2006

In our opinion:

- the financial statements include the information specified in Schedule A to the Occupational Pension Schemes (Disclosure of Information) Regulations, 2006 which is applicable and material to the scheme;
- the contributions payable to the scheme during the year ended 31 December 2014 have been received by the trustee within thirty days of the end of the scheme year; and
- such contributions have been paid in accordance with the rules of the scheme and the recommendation of the actuary.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Dublin

12 March 2015

The significant accounting policies adopted by the Trustee are as follows:

(i) Basis of preparation

The financial statements have been prepared in accordance with The Occupational Pension Schemes (Disclosure of Information) Regulations (2006), and the guidelines set out in the Statement of Recommended Practice, Financial Reports of Pensions Schemes (Revised May 2007).

(ii) Investments

Invested assets are held in unitised funds, most of the value of which is managed by Irish Life Investment Managers. This fund tracks a range of published equity and bond indices. The value of the units at the year end reflects the relative performance of these indices and the value of the relevant underlying stocks. The balance of funds is shown in Note 7 of these accounts.

(iii) Investment Income

Most of the invested assets are held in unitised funds and income is attributed to the funds as it arises and is not separately reported. Income from directly held investments is paid to the Fund and accounted for in the period.

(iv) Financial Risk

The Trustee is responsible for managing financial risk arising in connection with the invested assets of the Fund. This responsibility is discharged through the diversification of the investment portfolio across sectors and geographies and focus on established stocks quoted on published exchanges.

(v) Foreign Currencies

Balances and transactions denominated in foreign currencies have been translated into euro at the rate of exchange ruling at the year end. (2014 €1 = £0.7765; 2013 €1 = £0.8302).

(vi) Benefits

The pension benefits are secured by contributions to a separately administered defined benefits scheme in accordance with the provisions of Chapter XIV of the *Constitution of the Church of Ireland* as amended from time to time by the General Synod. Benefits are accounted for in the year in which they fall due. Liabilities to pay pensions and other benefits in the future are not accrued.

THE CHURCH OF IRELAND CLERGY PENSIONS FUND

ACCOUNTING POLICIES (CONTINUED)

PAGE 8

(vii) Contributions

Normal contributions from the dioceses/parishes are accounted for on an accruals basis. Augmentation contributions are accounted for in accordance with the agreement under which they are paid, or in the absence of such an agreement, when received.

(viii) Transfers to and from other Schemes

Transfer values represent the capital sums either receivable in respect of members from other pension schemes of previous employers, or payable to the pension schemes of new employers for members who have left the Scheme. They are accounted for on a cash basis or, where the Trustee has agreed to accept the liability in advance of receipt of funds, on an accruals basis from the date of the agreement.

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THE CHURCH OF IRELAND CLERGY PENSIONS FUND

FUND ACCOUNT

YEAR ENDED 31 DECEMBER 2014

FINANCIAL STATEMENTS

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CONSOLIDATED FUND

	Notes	2014 €'000	2013 €'000
CONTRIBUTIONS AND OTHER RECEIPTS			
Contributions receivable	3	2,642	3,204
Special contribution	4	5,000	5,000
		<u>7,642</u>	<u>8,204</u>
BENEFITS AND OTHER PAYMENTS			
Benefits payable	5	7,961	7,445
Administrative expenses		132	138
Pension Levy		559	384
		<u>8,652</u>	<u>7,967</u>
NET (DECREASE)/INCREASE		<u>(1,010)</u>	<u>237</u>
RETURNS ON INVESTMENTS			
Investment Income	6	998	577
Realised and unrealised investment gains		22,953	12,768
Currency translation adjustment		91	62
Investment management expenses		(97)	(111)
NET RETURNS ON INVESTMENTS		<u>23,945</u>	<u>13,296</u>
NET INCREASE IN FUND IN THE YEAR		22,935	13,533
BALANCE 1 JANUARY		<u>140,663</u>	<u>127,130</u>
BALANCE 31 DECEMBER		<u>163,598</u>	<u>140,663</u>

The fund has no recognised gains or losses other than those dealt with in the Fund Account.

Signed on behalf of the Trustee: DG Perrin

WP Colton

Date:

9 March 2015

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THE CHURCH OF IRELAND CLERGY PENSIONS FUND

STATEMENT OF NET ASSETS

YEAR ENDED 31 DECEMBER 2014

FINANCIAL STATEMENTS

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CONSOLIDATED FUND

	Notes	2014 €'000	2013 €'000
INVESTMENT ASSETS	7	<u>163,507</u>	<u>140,589</u>
CURRENT ASSETS			
Amounts due from the Representative Church Body		91	74
CURRENT LIABILITIES			
Creditors		<u>-</u>	<u>-</u>
NET CURRENT ASSETS		<u>91</u>	<u>74</u>
NET ASSETS		<u><u>163,598</u></u>	<u><u>140,663</u></u>

Signed on behalf of the Trustee: DG Perrin

WP Colton

Date:

9 March 2015

THE CHURCH OF IRELAND CLERGY PENSIONS FUND

NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

1 FUND STATUS

The Clergy Pensions Fund, which is a defined benefit scheme, is established under Chapter XIV of the *Constitution of the Church of Ireland* as amended from time to time by the General Synod. The Fund has been approved by the Revenue Commissioners as a retirement benefits scheme under Part 30, Chapter I of the Taxes Consolidation Act, 1997, and is treated as an 'exempt approved scheme' for the purposes of that Act. In addition, the Fund has been approved by the Board of the Inland Revenue of the United Kingdom as a retirement benefits scheme for the purposes of Chapter I, Part XIV, Income and Corporation Taxes Act 1988 and is treated as an 'exempt approved scheme' for the purposes of Section 592 of that Act in relation to its provision of pension benefits to those members of the clergy who are living in Northern Ireland.

The Fund closed to new entrants and to future accruals as at 31 May 2013. A Funding Proposal to bring the Fund back to full solvency was submitted to and accepted by the Pensions Authority in 2013. The Funding Proposal included revenue to be raised through the introduction of a levy of 13% of Minimum Approved Stipend, to be collected through the dioceses.

2 FORMAT OF THE FINANCIAL STATEMENTS

The financial statements summarise the transactions and net assets of the scheme. They do not take account of liabilities to pay pensions and other benefits expected to become payable in the future. The actuarial position of the Fund, which takes account of such obligations, is dealt with in the Trustee's report, the actuarial funding certificate and the actuary's annual certificate within this report, and these financial statements should be read in conjunction with them.

3 SUMMARY OF CONTRIBUTIONS RECEIVABLE

	2014 €'000	2013 €'000
Members - normal	-	534
Members - additional personal	-	59
Dioceses	-	1,298
Diocesan levies	2,420	867
Representative Church Body	<u>222</u>	<u>446</u>
Total	<u>2,642</u>	<u>3,204</u>

The value of Northern Ireland contributions in sterling is £1.096m (2013: £1.403m) and was translated to euro at the year end rate of 0.7765 (2013: 0.8302).

The value of Republic of Ireland contributions is €1.230m (2013: €1.514m).

THE CHURCH OF IRELAND CLERGY PENSIONS FUND

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FINANCIAL STATEMENTS

PAGE 12

4 SPECIAL CONTRIBUTION

The Representative Church Body during 2014 made a capital contribution of €5m to the Clergy Pensions Fund. In total €25m has been transferred over a 5 year period, 2010-2014. The final contribution was made in 2014.

5 BENEFITS PAYABLE

	2014	2013
	€'000	€'000
Pensions to retired bishops and clergy	4,826	4,364
Pensions to surviving spouses and orphans	2,518	2,515
Commutation of pensions	486	297
Death benefits	131	269
Total	7,961	7,445

The cost of Northern Ireland benefits in sterling is £3.458m (2013: £3.424m) and was translated to euro at the year end rate of 0.7765 (2013: 0.8302).

The cost of Republic of Ireland benefits in euro is €3.508m (2013: €3.321m). This cost excludes administration charges and the pension levy.

6 ANALYSIS OF INVESTMENT INCOME

	2014	2013
	€'000	€'000
Investment income	984	538
Interest	5	38
Miscellaneous trust income	9	1
Total	998	577

The investment income above relates to the income paid to the Clergy Pensions Fund by directly held investments. The balance of the funds is mostly held in a unitised fund passively managed by Irish Life Investment Managers (ILIM). The income on these funds is reinvested in the fund and is not separately reported.

THE CHURCH OF IRELAND CLERGY PENSIONS FUND

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FINANCIAL STATEMENTS

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	2014		2013	
	Market Value €'000	% of Fund	Market Value €'000	% of Fund
7 INVESTED ASSETS				
ILIM managed				
Equities				
UK	20,383	12.5%	20,965	14.9%
Europe ex UK	21,890	13.4%	22,048	15.7%
Global	30,568	18.7%	27,915	19.9%
Bonds				
Ireland	11,631	7.1%	-	-
European	23,819	14.6%	27,878	19.8%
UK	31,232	19.1%	27,312	19.4%
	<u>139,523</u>	<u>85.4%</u>	<u>126,118</u>	<u>89.7%</u>
In-house managed				
Property and Other	14,146	8.6%	11,016	7.8%
Bonds and Bond Alternatives	8,138	5.0%	2,226	1.6%
Cash on deposit	1,700	1.0%	1,229	0.9%
	<u>23,984</u>	<u>14.6%</u>	<u>14,471</u>	<u>10.3%</u>
	<u>163,507</u>	<u>100.0%</u>	<u>140,589</u>	<u>100.0%</u>

THE CHURCH OF IRELAND CLERGY PENSIONS FUND

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FINANCIAL STATEMENTS

PAGE 14

8 CONTINGENT LIABILITIES

As stated in the accounting policies on page 7 of the Financial Statements, liabilities to pay pensions and other benefits in the future have not been taken into account. On that basis, in the opinion of the Trustee the scheme had no contingent liabilities at 31 December 2014.

9 ADMINISTRATIVE AND INVESTMENT MANAGEMENT EXPENSES

The costs of investment management and administration are substantially borne by the Fund. The balance of these costs is borne by the Sponsor.

10 RELATED PARTY TRANSACTIONS

- (a) The Trustee: The Trustee of the Fund is as set out on page 3 of the Financial Statements.
- (b) Remuneration of the Trustee: The Trustee does not receive and is not due any remuneration from the Fund in connection with its responsibilities as Trustee.
- (c) Sponsor: The Representative Church Body acts as the Sponsor for the Clergy Pensions Fund. Contributions to the scheme are made in accordance with funding arrangements agreed with the Actuary from time to time.
- (d) The Administrator: The Representative Church Body is the Registered Administrator of the scheme and is remunerated on a fee basis.
- (e) The Investment Manager: Irish Life Investment Managers was appointed by the Trustee to manage most of the Fund's assets. The Manager is remunerated on a fee basis calculated as a percentage of the assets under management. These fees are borne by the fund.

THE CHURCH OF IRELAND CLERGY PENSIONS FUND

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FINANCIAL STATEMENTS

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	2014 €'000	2013 €'000
11 SUB DIVISIONS		
REPUBLIC OF IRELAND		
Contributions	1,230	1,514
Special contribution	2,485	2,485
Net benefits and other payments	(4,200)	(3,839)
Net transfer between sub divisions	(154)	238
Net (decrease)/increase	(639)	398
Net returns on investments	12,193	6,770
Balance 1 January	70,434	63,266
	<u>81,988</u>	<u>70,434</u>
NORTHERN IRELAND		
Contributions	1,412	1,690
Special contribution	2,515	2,515
Net benefits and other payments	(4,452)	(4,128)
Net transfer between sub divisions	154	(238)
Net (decrease)	(371)	(161)
Net returns on investments	11,752	6,526
Balance 1 January	70,229	63,864
	<u>81,610</u>	<u>70,229</u>
CONSOLIDATED FUND		
Contributions	2,642	3,204
Special contribution	5,000	5,000
Net benefits and other payments	(8,652)	(7,967)
Net (decrease)/increase	(1,010)	237
Net returns on investments	23,945	13,296
Balance 1 January	140,663	127,130
	<u>163,598</u>	<u>140,663</u>

12 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Trustee on 9 March 2015.

ANNEX 1

**REPORT OF THE CHURCH OF IRELAND PENSIONS BOARD
TO THE CHURCH OF IRELAND CLERGY PENSIONS TRUSTEE LIMITED**

Members/Meetings of the Board

There were four meetings of the Board in 2014.

Elected by the House of Bishops

Right Rev Paul Colton (3)
Right Rev John McDowell (3)

Elected by the General Synod

Canon Lady Sheil (4)
Rev John Auchmuty (elected September 2014) (1)
Rev Ted Woods (retired 10 May 2014) (1)
Mr William Oliver (2)
Mrs Cynthia Cherry (4)
Mrs Brigid Barrett (3)

Elected by the Representative Church Body

Mrs Judith Peters (2)
Mr Terence Forsyth (3)
Mr Geoffrey Perrin (3)
Rev Chris Matchett (3)
Mr Owen Driver (4)

Chairperson – Canon Lady Sheil

Vice-Chairperson – Mr Terence Forsyth

Honorary Secretary – Rt Rev John McDowell

Pensions Administration Manager – Mr Peter Connor

Grants Committee

Canon Lady Sheil
Mrs Judith Peters
Rev Ted Woods (retired 10 May 2014)
Rev John Auchmuty (elected November 2014)

Office: Church of Ireland House
Church Avenue
Rathmines
Dublin 6

Tel no (+3531) 4978422
Fax no (+3531) 4978821
Email pensions@rcbdub.org

1. INTRODUCTION

Under section 12(3) of Chapter XIV of the *Constitution of the Church of Ireland* the Trustee has delegated to the Church of Ireland Pensions Board (“the Board”) certain of the duties as set out in section 12(1) of the said Chapter including those relating to membership, contributions and benefits. This report summarises statistical data in relation to those matters.

The Report of the Church of Ireland Pensions Board on other funds administered by it, as delegated by the Representative Church Body (RCB), is found in Appendix F to the Report of the RCB (*Church of Ireland General Synod Reports 2015*, page 141).

2. CHAPTER XIV OF THE CHURCH OF IRELAND CONSTITUTION

Subsequent to the passing of legislation at General Synod in May 2013, which enabled the Fund to close for future accrual of service on 31 May 2013 and granted the establishment of the Church of Ireland Clergy Defined Contribution Pension Scheme, the Board recognised that a consolidation of Chapter XIV would be appropriate. The original legislation defined the Clergy Defined Contribution Pension Scheme as a single Scheme, however, due to distinct jurisdictional differences in statutory legislation governing such Schemes, there are by necessity two distinct Schemes.

The proposed Bill to the General Synod 2015 seeks to clarify the separate Clergy Defined Contribution Pension Schemes together with consolidating, where possible, the rules governing the Clergy Pensions Fund. Further consolidation of Chapter XIV will be possible over time as sections cease to be applicable. Greater detail of the proposed amendments to Chapter XIV may be found in the Explanatory Memorandum to the Bill.

3. MEMBERSHIP OF THE BOARD

The Board is elected triennially in accordance with Section 15 of Chapter XIV.

The Board expressed its thanks and appreciation to Rev Ted Woods, who retired in May, for his significant contribution to the work of the Board for almost 24 years.

The Standing Committee on 16 September 2014 elected Rev John Auchmuty as a member of the Board. Mr Auchmuty will also serve on the Grants Committee.

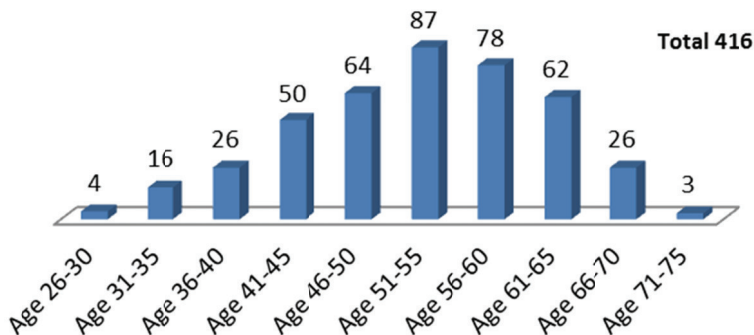
4. MEMBERSHIP OF THE FUND

The table below shows the movement during the year across the various membership categories. The accompanying graph shows the age profile of the active members.

	Active members	Deferred members	Pensioners	Spouses on pension
At 1 January 2014	436	97	281	205
Leavers with deferred benefits	(4)	4	-	-
Leavers taking benefits elsewhere	-	-	-	-
Deaths before retirement	(2)	-	-	-
Retirements on pension	(14)	(4)	18	-
Deaths on pension	-	-	(9)	(12)
New spouses' pensions	-	-	-	8
At 31 December 2014	416	97	290	201 ¹

In addition there were 11 child dependency allowances in payment at 31 December 2014 (11 at 31 December 2013).

Age distribution of active members



There are five clergy in the full-time stipendiary ministry who are not members of the Fund having sought and been granted exemption on entering service and there is one who elected to leave the Fund and make independent pension arrangements.

¹ The total of 201 includes 10 widows of members who either retired or died before 1976 and 12 widows of voluntary members.

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5. RETIREMENT AGE

The revised Normal Retirement Age (NRA) from 1 June 2013 (for contributing members of the Fund as at 31 May 2013) is in accordance with the following table:

Date of birth	Normal Retirement Age	Number of members in each retirement age category at 31 December 2014
31 May 1949 and before	65	32
1 June 1949 to 31 May 1954	66	63
1 June 1954 to 31 May 1959	67	81
1 June 1959 and after	68	240

Members who joined/rejoined the CPF on or after 1 January 2009 have an NRA of not less than 67.

Under statutory pension regulations Deferred Members will retain the NRA applicable at their date of leaving the service of the Church of Ireland.

6. PENSIONS IN PAYMENT

The annualised pensions etc in payment at 1 January 2015 are:

	€		£
Clergy	2,051,680	and	2,187,982
Surviving spouses and orphans	1,197,265	and	1,008,630
	<u>3,248,945</u>	and	<u>3,196,612</u>

The total annualised pensions in payment translated to euro at the year end exchange rate of 0.7765 are €7,365,638.

7. CONTRIBUTIONS

Contribution from central funds for 2014 – the fifth and final transfer by the Representative Church Body of €5m took place in 2014. In addition a contribution from central funds amounting to €222,313 was made during the year in accordance with Section 38 of Chapter XIV of the *Constitution of the Church of Ireland*.

8. LUMP SUM BENEFITS

Under the provisions of the Fund a cash lump sum is payable in a number of eventualities. During 2014 lump sums totalling €277,922 and £264,052 became payable in respect of 12 members as follows:

Died in service (1); died within five years following retirement (2); paid on retirement (7); deferred pension (2).

9. THE SUPPLEMENTAL FUND

During 2014 the Board reviewed the rules and functionality of the Supplemental Fund in its current format. The assistance to retired clergy of the Church of Ireland, surviving spouses and orphans evolved from the inclusion of clergy in the State Social Welfare systems from 1975 and in the Clergy Pensions Fund on its instigation in 1976. At the time it was recognised that, due to the short contribution period to retirement which many clergy had in the Social Welfare systems and Clergy Pensions Fund, their State Pension was below the basic level and their income level was insufficient to meet basic living requirements. Subsequently, in accordance with Chapter XV, various rules and regulations were devised by the Board governing *ex gratia* payments from the Supplemental Fund under the headings as listed on page 141.

At the end of 2014 a total of four recipients were in need of assistance under the headings:

- (i) Minimum Income for Surviving Spouses and Orphans (2)
- (ii) Minimum Income for Retired Clergy (0)
- (iii) Supplemental in lieu of State Pension (1)
- (iv) Widow of Bishop (1)

The Board in its review concluded it is unlikely that any individual will meet the criteria for the schemes in future under (i), (ii) and (iii). The current recipient under (iv) is the last possible widow to meet the criteria under this heading. The Board therefore agreed that the provision of assistance under (ii) should be abolished from 1 January 2015 and under (i), (iii) and (iv) be closed for new recipients and abolished when the existing recipients are no longer in need of the assistance.

The Board also agreed to increase the *ex gratia* grants paid under the headings Removal Grants (death in service) and Immediate Grants to Surviving Spouses from 1 January 2015 as detailed on page 143. It was also agreed that, should the need arise, other grants may be made available to individual cases at the discretion of the Board.

10. EXTERNAL CONTACTS FOR INFORMATION AND SUPPORT

The Board has compiled a guide towards external sources of information and help to assist chaplains who support retired clergy and surviving spouses. A copy of the guide is available on request from the Pensions Administration Manager (Email pensions@rcbdub.org).

11. ADDITIONAL PERSONAL CONTRIBUTIONS (APCS)

With the closing of the Clergy Pensions Fund to future accruals on 31 May 2013 the additional service members were purchasing, to give up to a maximum of 40 years' service at normal retirement age, was recalculated to reflect the service purchased to 31 May 2013.

There remain 91 members in active service who purchased additional service to 31 May 2013.

12. ADDITIONAL VOLUNTARY CONTRIBUTIONS (AVCS)

Members of the Church of Ireland Clergy Pensions Fund are permitted to make Additional Voluntary Contributions (AVC) which are invested with the Standard Life Assurance Company to provide additional benefits within the overall limits allowed by the Revenue authorities.

AVCs are unaffected by the closure of the Clergy Pensions Fund to future accruals.

Copies of the Regulations and explanatory memorandum in relation to AVCs may be obtained on request from the Pensions Administration Manager.

(i) Membership of the AVC Fund as at 31 December 2014

	Membership 31/12/13	New Contributors	Death in Service	Fund Transfers	Retired	Membership 31/12/14
RI	23	1	0	0	2	22
NI	5	0	0	0	1	4
Total	<u>28</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>3</u>	<u>26</u>
Previous Year	31	0	0	0	3	28

Standard Life is the provider of the AVC facility. Contributions may be invested with them in a range of Funds as provided by the Tower Pension Series for those contributors who reside in the Republic of Ireland or the Castle Pension Series for those contributors who reside in Northern Ireland.

(ii) AVC Fund Statement of Contributions

	2014 €'000	2013 €'000
Contributions received	62	48
Less paid on retirement or death	(59)	(149)
Less commuted to pension	-	-
	<u>3</u>	<u>(101)</u>
Balance 1 January	670	770
Currency Translation Adjustment	5	1
Balance 31 December	<u><u>678</u></u>	<u><u>670</u></u>

NOTES

1. A resolution adopted by the General Synod on 12 May 2012 transferred the role of trustee from the Representative Body to The Church of Ireland Clergy Pensions Trustee Limited.
2. Under the Scheme members are permitted to make voluntary contributions which are invested with the Standard Life Assurance Company to provide additional benefits within the overall limits allowed by the Revenue authorities. The balance at the year end represents the net accumulation of members' contributions which have been transferred to the Standard Life Assurance Company by the Trustee. The value of the investments underlying these contributions is not reflected in the statement.
3. Sterling balances and transactions have been translated to euro at the rate of exchange ruling at 31 December 2014 €1 = £0.7765 (2013 €1 = £0.8302).



CHARTERED ACCOUNTANTS' REPORT ON THE UNAUDITED FINANCIAL INFORMATION OF THE CHURCH OF IRELAND AVC FUND

In accordance with our engagement letter dated 12 November 2014 we have compiled the entity's financial information, which comprises the Statement of Contributions, from the accounting records and information and explanations you have given us.

This report is made to you in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial information that we have been engaged to compile to meet your governance requirements. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than you for our work or for this report.

We have carried out this engagement in accordance with technical guidance in M48 'Chartered Accountants' Reports on the Compilation of Historical Financial Information of Unincorporated Entities' issued by the Institute of Chartered Accountants in Ireland (ICAI) and have complied with the ethical guidance laid down by the ICAI relating to members undertaking the compilation of historical financial information.

You have approved the financial information for the year ended 31 December 2014 and have acknowledged your responsibility for it, including the creation and maintenance of all accounting and other records supporting it and the appropriateness of the accounting basis on which it has been compiled, and for providing us with all information and explanations necessary for its compilation.

We have not been instructed to carry out an audit of the financial information. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations given to us by you and we do not, therefore, express any opinion on the financial information.

A handwritten signature in black ink, appearing to read 'N. Shanahan', is written over a faint, illegible printed name.

PricewaterhouseCoopers
Chartered Accountants
Dublin

12 March 2015

ANNEX 2

**CLERGY PENSIONS FUND -
SUMMARY OF FUNDING PROPOSAL
AS AGREED BY THE PENSIONS AUTHORITY**

In June 2013 a Funding Proposal designed to bring the Clergy Pensions Fund ('the Fund') back to solvency over a ten-year period was submitted to and agreed by the Pensions Authority (then *An Bord Pinsean*).

The main requirements of the Funding Proposal are set out below. Progress is monitored annually and the Fund is subject to triennial valuation. Any significant variations from progress towards solvency would result in a further Funding Proposal having to be submitted.

To return the Fund to solvency by 2023 the following provisions have been put in place:

- The Fund has been closed to new entrants and to future accrual of benefits as from 31 May 2013.
- The Normal Retirement Age will gradually increase to a current maximum of 68 years for those aged 53 years or younger as at 31 May 2013, with staged increases for those aged above 53 years on that date.
- There will be no discretionary increases to pensions in payment or Pensionable Stipend during the Funding Proposal period unless the Actuary is satisfied that such increases would not jeopardise the Funding Proposal.
- As the funding of the Clergy Pensions Fund is a responsibility of the whole Church, an annual levy to contribute towards solvency is being raised from dioceses in respect of cures and other recognised offices at a rate of 13% of Minimum Approved Stipend.
- The Representative Church Body in 2014 completed the transfer of the last of five tranches of €5m from General Funds in the form of special funding and will further provide an amount of €0.1m per annum over the life of the Funding Proposal.

ANNEX 3

ACTUARIAL FUNDING CERTIFICATE

Article 4

THIS CERTIFICATE HAS BEEN PREPARED UNDER THE PROVISIONS OF SECTION 42(1) OF THE PENSIONS ACT 1990 (the ACT) FOR SUBMISSION TO THE PENSIONS BOARD BY THE TRUSTEES OF THE SCHEME

SCHEME NAME: The Church of Ireland Clergy Pension Fund

SCHEME COMMENCEMENT DATE: 1 January 1976

PENSIONS BOARD REFERENCE NO. PB 1667

EFFECTIVE DATE OF THIS CERTIFICATE: 30 September 2012

EFFECTIVE DATE OF PREVIOUS CERTIFICATE (IF ANY) 30 September 2009

On the basis of information supplied to me, having complied with any guidance prescribed under section 42(4)(b) of the Act and, subject thereto, having regard to such financial and other assumptions as I consider to be appropriate, I am of the opinion that at the effective date of this certificate:-

(1) the resources of the scheme, which are calculated for the purposes of section 44(1) of the Act to be €119,862,000, ~~*would*~~**would not** have been sufficient if the scheme had been wound up at that date to provide for the liabilities of the scheme determined in accordance with section 44(1) of the Act which, including the estimated expenses of administering the winding up of the scheme, amount to €164,450,000, and

(2) €0 of the resources of the scheme referred to in paragraph (1) comprise contingent assets, in accordance with and within the meaning of the guidance issued by the Board and prescribed under section 47 of the Act.

I, therefore, certify that as at the effective date of this certificate the scheme ~~*satisfies*~~**does not satisfy** the funding standard provided for in section 44(1) of the Act.

I further certify that I am qualified for appointment as actuary to the scheme for the purposes of section 51 of the Act.

Signature:  Date: 20 June 2013

Name: Paul McMahon Qualification: FSAI

Name of Actuary's Employer/Firm: Mercer Actuary Certificate No. P076

****Please delete whichever is not applicable***

FUNDING STANDARD RESERVE CERTIFICATE

Article 4

THIS CERTIFICATE HAS BEEN PREPARED PURSUANT TO SECTION 42(1A) OF THE PENSIONS ACT, 1990 (the ACT) FOR SUBMISSION TO THE PENSIONS BOARD BY THE TRUSTEES OF THE SCHEME

SCHEME NAME: The Church of Ireland Clergy Pension Fund

SCHEME COMMENCEMENT DATE: 1 January 1976

PENSIONS BOARD REFERENCE NO. PB 1667

EFFECTIVE DATE OF THIS CERTIFICATE: 30 September 2012

EFFECTIVE DATE OF PREVIOUS CERTIFICATE (IF ANY)

On the basis of information supplied to me, having complied with any guidance prescribed under section 42(4)(b) of the Act and, subject thereto, having regard to such financial and other assumptions as I consider to be appropriate, I am of the opinion that at the effective date of this certificate:

- (1) the funding standard liabilities (as defined in the Act) of the scheme amount to €164,450,000,
- (2) the resources of the scheme (other than resources which relate to contributions or a transfer of rights to the extent that the benefits provided are directly related to the value of those contributions or amount transferred (**DC resources**)), calculated for the purposes of section 44(1) of the Act amount to €119,662,000,
- (3) €47,925,000 of the amount referred to in paragraph (2) (subject to a maximum of an amount equal to the funding standard liabilities) is invested in securities issued under section 54(1) of the Finance Act 1970 (and known as bonds), securities issued under the laws of a Member State (other than the State) that correspond to securities issued under section 54(1) of the Finance Act 1970, cash deposits with one or more credit institutions and such other assets (if any) as are prescribed under section 44(2)(a)(iv) of the Act,
- (4) the amount provided for in section 44(2)(a) of the Act (15% x ((1) minus (3))) is €17,479,000,
- (5) the amount provided for in section 44(2)(b) of the Act, being the amount by which the funding standard liabilities of the scheme would increase if the interest rate or interest rates assumed for the purposes of determining the funding standard liabilities were one half of one per cent less than the interest rate or interest rates (as appropriate) assumed for the purposes of determining the funding standard liabilities less the amount by which the resources of the scheme (other than DC resources) would increase as a result of the same change in interest rate or interest rates is €4,586,000,

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- (6) the aggregate of (4) and (5) above amounts to €22,065,000, and
- (7) the additional resources (as defined in the Act) of the scheme amount to €0 of which, in accordance with and within the meaning of the guidance issued by the Board and prescribed under section 47 of the Act, €0 comprises contingent assets and €0 of such contingent assets comprise an unsecured undertaking.

I therefore certify that as at the effective date of the funding standard reserve certificate the scheme- ~~*does*~~**does not** hold sufficient additional resources to satisfy the funding standard reserve as provided in section 44(2) of the Act.

I further certify that I am qualified for appointment as actuary to the scheme for the purposes of section 51 of the Act.

Signature: Paul McMahon Date: 20 June 2013

Name: Paul McMahon Qualification: FSAI

Name of Actuary's Employer/Firm: Mercer Actuary Certificate No. P076

****Please delete whichever is not applicable***

ANNEX 4

ACTUARY'S STATEMENT



Church of Ireland Clergy Pensions Fund
Year ended 31 December 2014

Pensions Authority reference number: PB1667

Actuary's Statement

An Actuarial Funding Certificate was submitted to the Pensions Authority with an effective date of 30 September 2012. This certificate confirmed that at the effective date, the scheme did not satisfy the Minimum Funding Standard set out in Section 44 of the Pensions Act, 1990. A Funding Proposal was prepared with an effective date of 30 September 2012 with the objective of putting the scheme in a position to satisfy the funding standard by 31 December 2023. This extended date was granted by the Pensions Authority at the request of the Trustees.

I have undertaken an actuarial assessment to consider whether the funding proposal remains on track to achieve its objectives. This assessment is undertaken in accordance with guidance set down by the Society of Actuaries in Ireland. It reflects known developments in relation to the assets and liabilities and also assumptions about the future. I have set these assumptions at the more optimistic end of Society's allowable ranges.

On the basis of the assumptions employed, the Scheme's assets were projected to exceed the projected Funding Standard Liability and Funding Standard Reserve at 31 December 2023 by a small margin. Accordingly I can confirm that I am reasonably satisfied that the current Funding Proposal remains on track to achieve its objective.

As mentioned above, there was only a small margin between the projected assets and the projected liabilities. As a result there is a significant risk that the funding proposal will go off track in the future.

A handwritten signature in black ink, appearing to read 'Liam Quigley', is written over a horizontal line.

Liam Quigley

Fellow of the Society of Actuaries in Ireland

Certificate number: P044

Date: 16 March 2015

ANNEX 5

**STATEMENT OF RISK IN RELATION TO THE
CHURCH OF IRELAND CLERGY PENSIONS FUND (THE “FUND”)**

Under law, the Trustee is required to describe the condition of the Fund and the risks associated with the Fund, and disclose these to members.

The Fund operates on a ‘defined benefit’ basis and has been closed to future service accrual and to new members with effect from 31 May, 2013. The Fund is subject to a Funding Proposal agreed with the Pensions Authority with the intention of returning it to solvency by 2023. The risks in such an arrangement are generally classified as financial or operational. In any defined benefit arrangement, the main risk is that there will be a shortfall in the assets (for whatever reason) and the employer/sponsor will not be willing or able to pay the necessary contributions to make up the shortfall. If that occurs, members may not receive their anticipated benefit entitlements. Some of the reasons why a shortfall could occur are as follows (this list may not be exhaustive):

- The assets of the pension fund may grow more slowly than expected, or even fall in value, depending on the performance of underlying markets and the securities chosen. Where the scheme is subject to a Funding Proposal and, being closed to future service accrual, has an ageing profile, the requirement to invest in assets to match the future liability leads to a reduction in the opportunity to invest in growth assets.
- Similarly, the liabilities may grow faster than expected due to higher salary increases, or due to unfavourable movements in interest rates, or due to mortality and other elements of the fund’s experience varying from the assumptions made.
- The administration of the fund may fail to meet acceptable standards. The fund could fall out of statutory compliance, the fund could fall victim to fraud or negligence, or the benefits communicated to members could differ from the liabilities valued by the Actuary.

In these circumstances, there may be insufficient assets available to pay benefits, leading to a requirement to change the benefit structure or to seek higher contributions. The employer/sponsor may decide not to pay these increased contributions.

Another risk is that the employer/sponsor may for some reason decide to cease its liability to contribute to the pension fund. In this event, the fund may be wound up and accrued entitlements would be discharged from the available assets (which may or may not be sufficient to discharge member benefit expectations, as outlined above). In accordance with Section 10 of Chapter XIV of the Constitution of the Church of Ireland it would require a decision to be taken at the General Synod for the Fund to be wound up.

Various actions have been taken by the Trustee to mitigate the risks. The investment strategy is reviewed regularly to ensure that it is consistent with the needs of the Fund as

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well as meeting the requirements arising under the Funding Proposal. Professional investment managers have been appointed to manage the Clergy Pensions Fund assets, which are invested in a range of diversified assets. There is regular monitoring of how these investments are performing. An actuarial valuation of the Fund is carried out at least every three years to assess the financial condition of the Fund and determine the rate of contributions required to meet the future liabilities of the Fund. In addition, an annual review of the solvency position of the Fund is carried out on the assumption that it is wound up at that time.

The Trustee is satisfied that it is taking all reasonable steps, including the appointment of experienced professional advisers and administrators, to protect the members of the Fund from the effects of these risks. However, it is not possible to guard against every eventuality, and it is necessary to take some investment risk and other risks in order to manage the affordability of the Plan benefits and the capacity of the employer/sponsor to meet this commitment.

February 2015

ANNEX 6

CHURCH OF IRELAND CLERGY PENSIONS FUND

STATEMENT OF INVESTMENT POLICY PRINCIPLES

1. Introduction

The purpose of this Statement of Investment Policy Principles (the “Statement”) is to document the policies and guidelines that govern the management of the assets of the Church of Ireland Clergy Pensions Fund (the “Fund”). The Statement complies with the requirements of Section 59 (1B) of the 1990 Pensions Act (the “Act”) and the Occupational Pensions Schemes (Investment) Regulations 2006 and 2007 (the “Regulations”). It has been reviewed and adopted by the Trustee of the Fund and the Investment Committee of the RCB.

The Statement outlines the responsibilities of the various parties involved with investment policy and strategy for the Fund, their objectives, policies and risk management processes. The Statement is intended to ensure that:

- a. There is a clear understanding on the part of the Trustee, the Investment Committee and investment managers as to the objectives and policies
- b. There are clear principles governing the guidelines and restrictions to be presented to the investment managers regarding their investment of the Fund’s assets
- c. The Investment Committee and the Trustee have a meaningful basis for the evaluation of the investment performance of the investment managers, investment performance of the Fund as a whole and the success of overall investment strategy through achievement of defined investment objectives

The investment managers include the in-house investment team and external investment managers appointed from time to time.

This Statement will be reviewed by the Trustee and Investment Committee, at least every three years and also following any change in investment policy which impacts on the content of the Statement.

2. Management Structure

• **The “Sponsor” of the Fund**

For the purposes of pension’s legislation the Representative Church Body is deemed to be the sponsor of the Fund. The Representative Church Body, as sponsor, has a responsibility to secure the Fund’s solvency and state of funding but is not responsible for the Fund’s investments.

- **The Trustee**

The Trustee of the Fund has a fiduciary responsibility in relation to the operation of the trust deed and rules of the Fund, including the monitoring of the Fund's investment performance, its overall solvency and its investment strategy.

The Trustee has delegated the investment management of the Fund's assets to the Investment Committee of the RCB.

- **The Investment Committee**

The Investment Committee of the RCB has delegated the day to day investment management of the Fund's assets to a mix of internal and external investment managers. The Investment Committee of the RCB oversees and monitors the performance of the Fund's investments against pre-agreed performance benchmarks. The minutes of Investment Committee Meetings as they relate to the oversight and management of the Fund are furnished to the Trustee on a regular basis.

- **The Investment Manager(s):**

The Sponsor employs an in-house investment management team. The internal investment manager and one or more external investment managers may be appointed by the Trustee on the recommendation of the Investment Committee to act on behalf of the Trustee. The appointment(s) may be made on a passive or active mandate basis (or a combination of the two). The investment manager(s) shall observe the specific guidelines, restrictions and philosophies within this Statement and as expressed in any written agreement furnished by the Investment Committee and pre-agreed with the Trustee.

3. Identification of Investment Responsibilities

The specific responsibilities of the Investment Committee in relation to the investment management of the Fund's assets include:

- (a) Agreeing the investment objectives of and performance benchmarks for the Fund with the Trustee and where appropriate, the Sponsor
- (b) Identifying the Fund's risk tolerance levels, or appetite for risk, consistent with the Funding Proposal agreed with the Pensions Authority and agreeing same with the Trustee and the Sponsor where appropriate
- (c) Establishing guidelines/operational parameters on investment strategy including asset allocation and deciding suitable benchmarks
- (d) Recommending the criteria for Socially Responsible Investment, securing the Sponsor's agreement on same and advising the investment managers

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- (e) Monitoring and evaluating performance and reporting to the Trustee and Sponsor as required
- (f) Monitoring purchases and sales of stocks and trading patterns generally
- (g) Monitoring and if necessary recommending to the Trustee changes to the custodians, consultants and others that provide services to the Fund relating to the investment or custody of assets
- (h) Regularly reviewing this Statement, and revising as necessary

Subject to such guidelines and restrictions imposed by the Investment Committee the investment manager(s) with an active mandate will be responsible for making all investment decisions on a discretionary basis and will be evaluated on their ability to achieve the performance objectives set for them.

Subject to such guidelines and restrictions imposed by the Investment Committee the investment manager(s) with a passive mandate will be responsible (a) for adopting the percentages and relevant indices agreed from time to time by the Investment Committee on behalf of the Trustee, (b) to make all investment decisions in order to track efficiently the agreed index/indices and (c) will be evaluated on their ability to achieve the performance objectives set for them with minimal tracking error.

Other parties with specific duties with regard to investment include the Fund's custodian(s) and consultants. These duties are documented under separate contractual agreements between the Representative Church Body and those parties.

4. Socially Responsible Investment

The Investment Committee on behalf of the Trustee will, on an annual basis, review social, environmental and ethical issues with the investment manager(s) for the selection, retention and realisation of investments.

5. Investment Objectives

The overall investment objective of the Trustee is to maximise the level of investment return at an acceptable level of risk, consistent with the Funding Proposal agreed with the Pensions Authority and the sponsor, through adopting a prudent, carefully funded and well-executed investment policy having regard to Socially Responsible Investment. This will in turn assist the Trustee in providing sufficient assets to meet the Fund's long-term commitment to provide pensions and other benefits for fund members and their dependants.

6. Risk Measurement Methods

In determining the level of risk appropriate to the Fund at any point in time, the Trustee recognises the importance of the nature and duration of the liabilities (ie age

profile of members), and measures the risk of the chosen investment policy by reference to these liabilities.

In particular, the Investment Committee on behalf of the Trustee considers the following risks:

- (a) The risk of achieving an insufficient level of investment return relative to the rate required to match the growth in liabilities over time.
- (b) The risk of excessive volatility in the investment returns of the Fund relative to the movement in liabilities over shorter-term periods (eg one year). Consideration will be given to this volatility in relation to the liabilities measured under the Minimum Funding Standard basis, which basis underlies the agreed Funding Proposal.

Managing the two risks above in isolation may lead to conflicting investment policies. Therefore, in formulating an appropriate investment policy, the Trustee and Investment Committee seek to arrive at an acceptable balance between these risks in order to meet as best it can its investment objectives. Furthermore, the Investment Committee will manage a range of other investment risks using the risk management processes outlined in the next section in order to create a prudent, diversified and efficient portfolio.

7. Risk Management Processes

The Investment Committee on behalf of the Trustee will ensure, either through direct guidance or through ascertaining the suitability of any commingled (unitised) vehicles that are used, that policies and guidelines are in place for the appointed investment manager(s) and other providers such that:

- (a) Investments are predominantly limited to marketable securities traded on recognised/regulated markets.
- (b) Prior oral agreement must be obtained from the Investment Committee to use futures, options and contracts for differences. Any such agreements must be minuted. The use of futures, options and other financial derivatives may only be used by the investment manager(s) to hedge an existing position or to pre-empt known cash flow. They may not be used to gear the portfolio.
- (c) The portfolio is properly diversified in such a way that:
 - for an active mandate, no one stock (with the exception of sovereign debt and pooled investments) may be more than 5% of the Fund so as to limit excessive reliance on any particular asset, issuer or group of undertakings and so as to limit accumulations of risk in the portfolio as a whole. However, in the case of significant share price appreciation of an existing holding, while the investment manager may not add to a stock once it exceeds 5% of the portfolio by market value, the stock may continue to be held and permitted to

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increase to a maximum of 7% of the portfolio value within an agreed time frame.

- for a passive mandate no one stock shall exceed the combined weighting of its exposure to the various indices that are being tracked adjusted for any Socially Responsible Investment modifications.
 - investments in assets issued by the same issuer or by issuers belonging to the same group do not expose the scheme to excessive risk concentration.
- (d) The investment manager(s) must at all times remain conscious of the Fund's risk tolerance level (as agreed between the Investment Committee and investment manager(s) from time to time).
- (e) The security, quality and liquidity of the portfolio as a whole is ensured together with an awareness of the currency requirement.

All investment managers of the Fund are employed by the Investment Committee on behalf of the Trustee and are subject to termination at any time.

8. Current Investment Policy

The current investment strategy of the Trustee is set out below along with a description of the investment manager arrangements adopted.

Strategic Asset Allocation

- The Trustee has considered the Fund's strategic asset allocation mix in the context of the scheme being closed to new members and future benefit accrual, and in the context of the scheme Funding Proposal agreed with the Pensions Authority.
- The Funding Proposal undertakes that, over the period to 2023, the Fund's asset portfolio will move gradually and in a planned way to a position where 75% of the Fund's assets will be invested in fixed interest and cash assets. This is to meet the requirements of the Pensions Authority that by the end of the proposal period, the liabilities for pensions in payment will be matched by broadly equivalent assets and that progress towards this objective will not be assumed to occur primarily towards the end of the proposal period.
- The Trustee, in consultation with the Actuary, will monitor and manage progress towards this balanced and matched strategy over the period of the Funding Proposal.

Investment Manager Structure and Performance Objectives

At the date of this Statement

- Irish Life Investment Managers (ILIM) manage the equity and bond portfolios of the Fund on a passive (ie index tracking) basis, representing approximately 85% of the assets of the Fund
- Some 8% of the Fund's assets are invested in property, obtained through investment in the Irish Property Unit Trust (IPUT)
- The in-house investment team manage a small proportion of the Fund's assets, mainly invested in high-yield and substitute fixed interest assets; this proportion is expected to rise gradually in time
- Each investment manager's performance objective is to perform in line with the relevant benchmarks (as agreed with the Trustee and Investment Committee)

February 2015

APPENDIX F

THE CHURCH OF IRELAND PENSIONS BOARD

Funds administered by the Board as delegated by The Representative Church Body.

THE SUPPLEMENTAL FUND

1. ADMINISTRATION OF THE FUND FOR THE YEAR ENDED 31 DECEMBER 2014

The Supplemental Fund is held by the Representative Body for the provision of assistance to retired clergy of the Church of Ireland and to surviving spouses, orphans and other dependants of clergy of the Church of Ireland and is administered by the Church of Ireland Pensions Board.

The income is derived from the investments representing the capital of the various Funds comprising the Supplemental Fund and grants allocated to it by the General Synod.

Last year the following assistance was provided by means of *ex gratia* payments:

(i) Minimum Income of Surviving Spouses and Orphans

Grants to ensure each has a minimum income from all sources in the year commencing 1 January 2014 of not less than:

	Resident in the:	
	United Kingdom	Republic of Ireland
Surviving spouse under 80	£12,590	€17,023
Surviving spouse 80 or over	£13,069	€17,670

On 31 December 2014, pensions were in course of payment to 189 surviving spouses (excluding widows of voluntary members) of clergy of the Church of Ireland. Two surviving spouses required a grant to bring their total income up to the relevant figure in the table.

During 2014, each surviving spouse who was in receipt of a grant from the Supplemental Fund also received:

- (a) a grant twice yearly towards basic housing costs of £450 or €600 from the Housing Fund;
- (b) a grant of £375 or €510 from monies allocated from the Priorities Fund.

As a result of these grants, the actual minimum income of surviving spouses during 2014 exceeded the figures in the Table by £1,275 or €1,710.

(ii) Minimum Income for Retired Clergy

Grants shall be payable from the Supplemental Fund to retired clergy to ensure that each has a minimum income, including the Retirement Pension payable from the Church of Ireland Clergy Pensions Fund or any other approved Scheme, of not less than £9,376 (if resident in the UK) or €12,677 (if resident in the Republic of Ireland). Such minimum pension shall be in addition to a State or other pension (excluding a Retirement Pension payable under the Church of Ireland Pensions Fund or any other approved Scheme) or a Sickness or Invalidity Benefit or a Supplemental Grant in lieu thereof.

In calculating grants the first £1,000 (if resident in the UK) or €1,330 (if resident in the Republic of Ireland) of income earned by the clergy and/or their spouse is disregarded.

There were no clergy in receipt of this grant on 31 December 2014.

(iii) Supplement in lieu of State Pension

Grants shall be payable to retired clergy who are not eligible for a State, partial State or other pension (excluding a Retirement Pension payable under the Church of Ireland Pensions Fund) or a Sickness or Invalidity Benefit in lieu thereof as follows:

(a) Clergy who retired from an office in the Republic of Ireland:	
Eligible clergy aged under 80	€11,976
Eligible clergy aged 80 or over	€12,496
Married clergy only:	
Spouse under 66	€7,982 extra
Married clergy only:	
Spouse 66 or over	€10,728 extra
Single/widowed clergy only:	
Living alone	€400 extra
(b) Clergy who retired from an office in Northern Ireland:	
Eligible clergy:	
Single/widowed	£5,728
Eligible clergy:	
Married	£9,160

One grant was payable on 31 December 2014.

(iv) Widow of Bishop

A grant is paid to the widow of a bishop who retired before 1 January 1979:

Grant	€6,481
-------	--------

One grant was payable on 31 December 2014.

(v) Removal Grants

A grant to a surviving spouse towards the cost of removal, if his/her wife or husband was in the service of the Church of Ireland at the time of death, of the total amount involved up to a sum of £1,511 if he or she died while holding office in Northern Ireland, or €1,960 if he or she died while holding office in the Republic of Ireland.

Should death occur less than two months after date of retirement and before vacation of the glebehouse a similar grant will be paid.

(vi) Immediate Grants to Surviving Spouses

On the death of clergy in the service of the Church of Ireland who are survived by a spouse, an immediate grant of £4,328 if they died while holding office in Northern Ireland or €5,925 if they died while holding office in the Republic of Ireland shall be paid.

On the death of clergy in retirement from the service of the Church of Ireland who are survived by a spouse, an immediate grant of £1,362 if they resided in the United Kingdom or €1,764 if they resided in the Republic of Ireland shall be paid.

(vii) Other Grants

Certain other grants which, in the opinion of the Board and in the particular circumstances of each case, merited special consideration.

In addition to the grants allocated under the above headings retired clergy, surviving spouses and dependants in need received help from other sources. The Board would like to record its thanks to the Priorities Fund, the Corporation of the Sons of the Clergy, the Friends of the Clergy Corporation and the other charities and funds which provided this help.

2. GRANTS 2015

The Representative Body recommends that the General Synod of 2015 approves allocations of €6,481 plus £800 to the Supplemental Fund from 2014 income (see report of the Representative Body, page 21 in *Church of Ireland General Synod Reports 2015*).

The allocations recommended, combined with an unexpended surplus for 2014 and dividend income for 2015, will enable the Board (see report of the Board, page 124, item 9) to continue the schemes of *ex gratia* payments to the surviving spouses and retired member of the clergy who were in receipt of such payments as at 1 January 2015 as follows:

(i) Minimum Income of Surviving Spouses and Orphans

	Resident in the:	
	United Kingdom	Republic of Ireland
Surviving spouse under 80	£12,842	€17,023
Surviving spouse 80 or over	£13,330	€17,670

It is estimated that the cost of this scheme will be €0 plus £3,680.

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(ii) Supplement in lieu of State Pension

(a) Clergy who retired from an office in the Republic of Ireland:	
Eligible clergy aged under 80	€11,976
Eligible clergy aged 80 or over	€12,496
Married clergy only:	
Spouse under 66	€7,982 extra
Married clergy only:	
Spouse 66 or over	€10,728 extra
Single/widowed clergy only:	
Living alone	€400 extra
(b) Clergy who retired from an office in Northern Ireland:	
Eligible clergy:	
Single/widowed	£5,881
Eligible clergy:	
Married	£9,407

It is estimated that the cost of this scheme will be €0 plus £800.

(iii) Widow of Bishop

A grant is paid to the widow of a bishop who retired before 1 January 1979:

Grant	€6,481
-------	--------

The cost of this scheme will be €6,481.

(iv) Removal Grants

Northern Ireland	£2,000
Republic of Ireland	€4,000

(v) Immediate Grants to Surviving Spouses

In service:

Northern Ireland	£4,500
Republic of Ireland	€6,000

In retirement:

Northern Ireland	£1,500
Republic of Ireland	€2,000

3. RULES

Copies of the rules are available on application to the Pensions Administration Manager.

4. FINANCIAL STATEMENTS

The Financial Statements of the Supplemental Fund are set out in the following pages.

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THE SUPPLEMENTAL FUND

31 December 2014

INCOME AND EXPENDITURE ACCOUNT

	2014 €'000	2013 €'000
INCOME		
General Synod Allocations	7	22
Investment Income	34	32
Income from Trusts and Donations	2	2
	<u>43</u>	<u>56</u>
EXPENDITURE		
Augmentation – Surviving Spouses and Orphans	18	21
Grants to Surviving Spouses	9	19
Grants to Retired Clergy	8	14
Expenses	5	5
	<u>40</u>	<u>59</u>
Surplus/(shortfall) of income	3	(3)
Revaluation movement	83	48
Currency translation adjustment	34	(8)
	<u>120</u>	<u>37</u>
Capital balance 1 January	905	865
Transferred (to)/from reserve in previous periods	(3)	3
Capital balance 31 December	<u><u>1,022</u></u>	<u><u>905</u></u>

THE SUPPLEMENTAL FUND

ANALYSIS OF FUND ASSETS AT 31 DECEMBER 2014

	2014 €'000	2013 €'000
Investments at Valuation		
RB General Unit Trusts	1,022	905
	<u>1,022</u>	<u>905</u>
	<u><u>1,022</u></u>	<u><u>905</u></u>

Notes

1. The Supplemental Fund is vested in The Representative Church Body, as Trustee, for the provision of assistance to retired clergy of the Church of Ireland and to spouses, orphans and dependants of clergy of the Church of Ireland.

The Fund is established under Chapter XV of the *Constitution of the Church of Ireland* and administered by the Church of Ireland Pensions Board.

2. Accounting Policies are the same as those adopted for the Clergy Pensions Fund.



CHARTERED ACCOUNTANTS' REPORT ON THE UNAUDITED FINANCIAL INFORMATION OF THE CHURCH OF IRELAND SUPPLEMENTAL FUND

In accordance with our engagement letter dated 12 November 2014 we have compiled the entity's financial information, which comprises the Income and Expenditure Account and Fund Account from the accounting records and information and explanations you have given us.

This report is made to you in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial information that we have been engaged to compile to meet your governance requirements. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than you for our work or for this report.

We have carried out this engagement in accordance with technical guidance in M48 'Chartered Accountants' Reports on the Compilation of Historical Financial Information of Unincorporated Entities' issued by the Institute of Chartered Accountants in Ireland (ICAI) and have complied with the ethical guidance laid down by the ICAI relating to members undertaking the compilation of historical financial information.

You have approved the financial information for the year ended 31 December 2014 and have acknowledged your responsibility for it, including the creation and maintenance of all accounting and other records supporting it and the appropriateness of the accounting basis on which it has been compiled, and for providing us with all information and explanations necessary for its compilation.

We have not been instructed to carry out an audit of the financial information. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations given to us by you and we do not, therefore, express any opinion on the financial information.

A handwritten signature in black ink, appearing to read 'Muir MacLennan', is written over a faint, illegible printed name.

PricewaterhouseCoopers
Chartered Accountants
Dublin

12 March 2015

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T: +353 (0) 1 792 6000, F: +353 (0) 1 792 6200, www.pwc.ie*

Chartered Accountants

OTHER FUNDS ADMINISTERED BY THE BOARD

1. Sundry Diocesan Widows' and Orphans' Funds

Grants are paid on the recommendation of the patron, who is usually the Bishop. The total of grants paid in 2014 was €45,781 and £2,623.

2. Housing Assistance Fund

The Housing Fund has been created by The Representative Church Body mainly from the income of certain endowments and bequests received by it from generous benefactors and where the terms of trust permit.

The Fund is being administered under a Scheme prepared by the Board and approved by The Representative Church Body. Grants amounting to €65,010 plus £60,486 were allocated in 2014. Many expressions of thanks and appreciation have been received from the recipients.

The Board is most grateful for these donations and hopes that this Fund, which has already been of considerable help to retired clergy and surviving spouses with financial outlay arising from the provision and/or upkeep of housing accommodation, will be given further support by donations or bequests.

Two houses were bequeathed to The Representative Church Body, one of which is let to a member of the clergy and the other let to the surviving spouse of a clergyman. These are administered by the Board.

3. Priorities Fund – additional income for the most elderly and needy

A further grant was allocated by the Standing Committee from the Priorities Fund in 2014 to provide additional income for the most elderly and needy surviving spouses of clergy. This enabled the Board to give an additional grant of £450 to each surviving spouse irrespective of age who needed a grant from the Supplemental Fund to ensure a minimum income under the scheme in operation for that purpose. Two surviving spouses benefited from the allocation.

The Board has applied to the Priorities Fund Committee for a grant for 2015.

4. Mrs E Taylor Endowment

The Representative Body requested the Board to administer the Endowment “to provide additional benefits over and above the normal pensions for retired clergymen of the Church of Ireland who should be residing in the 26 counties of Southern Ireland”.

The Board has decided that the income from the Endowment should be allocated in the first instance for the benefit of those retired clergy in the Republic of Ireland who

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required nursing/home care either for themselves or their spouses including health and paramedical expenses.

During 2014, grants totalling €23,839 were paid to nine retired clergy.

5. Rev Precentor RH Robinson Bequest

The income of this bequest has in previous years been allocated annually by the Board in accordance with the terms of trust as an additional payment to a retired clergyman. The income is currently circa €10 per annum. In 2011 it was decided, after consultation with the Head of Property and Trusts, to allow the income to accumulate for a period of five years until a more substantial grant may be allocated.

6. Rev GJ Wilson Bequest

The income of this bequest is available for the benefit of retired clergymen of the dioceses of Dublin, Glendalough and Kildare. The Board allocates the income having sought recommendations from the Archbishop of Dublin and the Bishop of Meath and Kildare.

In 2014, the total of grants paid was €1,806.

7. Discretionary Fund – Retired Clergy/Surviving Spouses

This Fund is available to provide (i) discretionary grants unrelated to Housing, to surviving spouses of clergy to be administered in a similar fashion to that of the Housing Fund and (ii) greater support for retired clergy resident in Northern Ireland or outside Ireland.

Allocations of £21,500 were made in 2014 which, together with income from bequests allocated to the Fund by the Representative Body, enabled the Board to make grants totalling €3,050 and £8,282 to twelve surviving spouses and grants totalling £15,442 to ten retired clergy.

The Board would welcome donations and bequests in order to provide a permanent income for this Fund.

APPENDIX G

CHURCH OF IRELAND CLERGY DEFINED CONTRIBUTION SCHEMES (NI AND RI) – REPORTS OF THE SCHEME TRUSTEES

The Church of Ireland Clergy Defined Contribution Pension Scheme, Northern Ireland (“the Scheme”)

Background

The Scheme commenced on 1 June 2013 and is a Defined Contribution Scheme. The individual member's benefits are determined by reference to the contributions paid into the Scheme by and in respect of that member and based on the investment return on those contributions.

Management of the Scheme

Trustee Solutions Limited (TSL) is the professional independent trustee of the Scheme appointed by the Representative Church Body to carry out the purposes of the trust and represent the best interests of the beneficiaries. TSL is a wholly owned subsidiary of Pinsent Masons LLP, an international law firm.

The member's rights and obligations under the Scheme are managed by the Trustee in accordance with a Definitive Deed and Rules dated 17 June 2013. The Scheme is a registered pension scheme for tax purposes under Part 4 of the Finance Act 2004.

Administration

Administration services are provided by Zurich Assurance Ltd who invests the Scheme contributions in accordance with the investment options selected by the member. Members of the Scheme will receive annual benefit statements showing the value of their investment funds, together with an illustration of their benefits at normal retirement age. Members can also check how their funds are performing by logging into the Zurich member website.

Investments

Mercer Limited is appointed by the Trustee to manage the Scheme investments. Mercer provides quarterly investment reports to the Trustee reviewing how the investments have performed over the previous quarter and since inception. To date, all of the investment funds available to members have performed in line with or better than the appropriate benchmarks.

Governance

As part of the ongoing monitoring, auditing and assessment of Zurich's services Mercer provide quarterly operational governance reports to the Trustee. Zurich's products and services are monitored by Mercer each quarter against the required market-leading position. The service levels provided by Zurich are consistently rated as excellent by Mercer with targets being regularly met or exceeded.

Trustee Solutions Limited
February 2015

The Church of Ireland Clergy Defined Contribution Pension Scheme, Republic of Ireland (“the Scheme”)

The Scheme is Defined Contribution in nature and commenced on 1 June 2013.

Irish Pensions Trust Limited (“IPT”) is Trustee of the Scheme.

The primary role of IPT is to ensure the Scheme operates efficiently, the trust is executed correctly, and, at all times, act in the best interests of the beneficiaries.

The Registered Administrator of the Scheme is Zurich Life. Mercer Limited is the consultant and investment advisor.

The Revenue Approval Number is SF – 3946 and the Pensions Board reference number is PB – 269291.

At the end of the last reporting period (31 May 2014) the scheme had 176 active members and 7 deferred members. The value of the assets at that date was €1.236m and the Scheme was compliant with all Revenue and Pensions Act (as amended) requirements.

Irish Pensions Trust Limited
February 2015

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APPENDIX H

CHURCH FABRIC FUND – GRANTS ALLOCATED DURING 2014

Diocese	Church	Amount	
		£	€
Armagh	Clogherny	2,100	
Clogher	Aghavea	1,700	
	Errigal Portclare	3,400	
	Ballyscullion	25,000	
Derry	Ballyhalbert	5,700	
Dromore	Kilbroney	3,400	
Connor	Belfast, St George	3,600	
Elphin	Lissadell		1,900
Tuam	Moyrus, Roundstone		7,400
Dublin	Chapelizod		6,100
	Donnybrook		4,000
	Dublin, St Ann's		3,800
	Blessington		4,000
Glendalough	Killiskey		3,750
	Kentstown		1,000
Meath	Killucan		25,800
	Mullingar		5,000
	Rathgraffe		4,500
	Tullamore		1,650
	Portarlington		5,800
Kildare	Drumcannon		5,500
Waterford	Kilkenny Cathedral		2,000
Ossory	Kilbride		250
Ferns	Kinnitty		5,100
Killaloe	Killarney		2,450
	Tralee		3,400
Ardfert			
		44,900	93,400

APPENDIX I

ARCHIVE OF THE MONTH 2014

January: The Meath Diocesan Archive (535 page visits during the month)

February: RCB Library: 50 years at Braemor Park (541)

March: St Peter's, Drogheda (Armagh), registers, 1702-1900, indexes online (1,399)

April: Papers of Rt Rev William Shaw, Bishop of Down & Connor, 1945-55 (461)

May: Gender debates at the 1914 General Synod (514)

June: Registers of Taughboyne (Raphoe) transcribed and online, 1820- 1900 (1,828)

July: Updated table of Church of Ireland parish registers (3,694)

August: Consents to alterations in churches (755)

September: Correspondence of Hugh AC Maude rel. to state prayers controversy, 1948 (528)

October: *Church of Ireland Gazette* for 1914 digitized and fully searchable (750)

November: The Boys from East Belfast: letters from World War I (718)

December: Lantern slides of the Boer War and World War I (478)

APPENDIX J

**ACCESSIONS OF ARCHIVES AND MANUSCRIPTS TO THE
REPRESENTATIVE CHURCH BODY LIBRARY, 2014**

The inclusion of material in this list does not necessarily imply that it is available to researchers.

1. ARCHIVES

(i) Parish Records

Ardagh (Ardagh)

Tashinny: school photographs, 1950s

Athlone (Meath)

Athlone: roll of honour, deeds, misc. papers, 1636-1971

Ballybay (Clogher)

Clontibret: vestry bk, 1871-1923

Bandon (Cork)

Rathclaren: vestry bk, 1960-76

Celbridge (Glendalough)

Celbridge: regs, reg of vestrymen, memorials, 1845-2007

Newcastle Lyons: regs, preachers' bk, 1847-2006

Straffan: marriage reg, preachers' bk, 1872-2007

Clane (Kildare)

Ballinafagh: reg of vestrymen, 1923-57

Carogh: vestry bks, preachers' bks, 1895-1964

Clane: vestry bk, accounts, preachers' bks, visitors' bk, rental, misc. papers, photographs, 1859-1970

Donadea: preachers' bks, misc. papers, 1936-76

Clontarf (Dublin)

Clontarf: burial records, vestry bks, misc. papers, 1905-2006

Cobh and Glanmire (Cloyne)

Carrigtwohill: regs, vestry bk, 1877-1988

Kilroan: vestry bk, preachers' bk, 1819-1921

Little Island: marriage reg, accounts, preachers' bks, 1880-2007

Mogeasha: marriage reg, 1857-1902

Rathcooney: regs, 1869-2003

Rushbrooke: preachers' bk, 1981-2009

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Crumlin (Dublin)

Crumlin: MU minutes & registers, 1931-2009

Drung (Kilmore)

Killoughter: vestry bk, 1813-1972

Dublin – St Catherine & St James (Dublin)

St Catherine & St James: vestry bks, 1970-2003

St James: papers rel.to graveyard, 1955-2002

Fiddown (Lismore)

Carrick-on-Suir: vestry bk, 1813-1916

Castlelane: preachers' bks, 1873-1964

Clonegam: regs, vestry bk, 1741-1987

Clonmore: vestry bk, 1818-1906

Dunkitt: vestry bk, 1827-71

Fiddown: vestry bk, accounts, preachers' bks, annual reports, 1885-1987

Guilcagh: preachers; bk, 1930-65

Kilculiheen, vestry bk, preachers' bks, 1797-1941

Kilmacow: vestry bk, preachers' bk, 1796-1928

Kilmeaden: account bk, 1908-40

Rathkieran: vestry bk, 1805-56

Killiney – Holy Trinity (Dublin)

Holy Trinity: orders of service, parish magazines, misc. papers, 2013-14

Kilmoe (Cork)

Teampol-na-mbocht: minutes, accounts, deeds, 1855-1916

Kinsale (Cork)

Ballymartle: marriage regs, 1846-1981

Cullen: marriage reg, 1851-1930

Dundurrow: marriage reg, 1845-66

Kinsale: regs, 1684-2007

Rincurrin: regs, 1793-1990

Ringrone :regs, 1846-1983

Templetrine: marriage regs, 1858-2006

Londonderry – Christ Church (Derry)

Christ Church: account bk, 1897-1910

Magheragall (Connor)

Magheragall: parish magazines, 2013

Moviddy (Cork)

Aghinagh: tithe bk, 1833

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Narraghmore (Glendalough)

Narraghmore: parish newsletters, misc. papers, 1993-2002

Rathfarnham (Dublin)

Rathfarnham: vestry bk, corresp, War Memorial Hall minutes, 1870-1931

Rathmines (Dublin)

Harold's Cross: photographs of church, late 20th cent.

Raymochy (Raphoe)

Raymochy: marriage reg, preachers' bk, misc. papers, 1844-1910

Ross (Ross)

Timoleague: vestry bk, 1957-67

Sandymount (Dublin)

Sandymount: trustees' minutes, photographs, 1977-2005

Stillorgan (Dublin)

Stillorgan: reg of vestrymen, preachers' bks, banns, magazines, burial reg index, photographs, 1859-2000

Taughboyne (Raphoe)

Taughboyne: vestry bk, 1804-74

Templemore (Cashel)

Templemore: reg & index, preachers' bks, maps, misc. papers, 1828-1990

Tullamore (Meath)

Clara: marriage reg, 1957-2006

Clonfadforan: marriage reg, 1963-2006

Rahan: marriage reg, 1961-2004

Tullamore: marriage reg, 1957-2007

Wexford and Kilsoran

Ardcolm: marriage reg, 1974-2000

Bannow: marriage reg, 2005-07

Horetown: marriage reg, 1958-2007

Killinick: marriage reg, 2004-07

Killurin: marriage reg, 1970-2007

Kilsoran: marriage reg, 2005

Mulrankin: marriage reg, 2006

Taghmon: marriage reg, 1958-2005

Wexford: marriage reg, 1957-2007

Whitechurch (Dublin)

Whitechurch: misc. papers, 2013-14

Wicklow (Glendalough)

Killiskey: vestry bk, 1984-2011

(ii) Diocesan Records

Cork, Cloyne & Ross: records of diocesan synod, diocesan council, boards of nomination, visitations, licences, annual reports, misc. printed material, 1871-1996

From Diocesan Office, Cork.

Derry & Raphoe: minutes, accounts, title bks, clergy rolls, rural deans' reports, misc. papers, 1869-1982

From the Diocesan Office, Londonderry

Ferns: diocesan secretary's copy out letter bks, 1874-85

From Ven CW Long, Enniscorthy

Ferns: Board of Education minutes, accounts, declarations, 1874-1976

From Mr Brian Thorpe, New Ross

(iii) General Synod Records

Bishops' Appeal: minutes, printed material, 2012-14

From Mr Albert Smallwood, Londonderry

Central Communications Board: videos

From Church of Ireland House, Dublin

Select Committee on Marriage: papers, 1993-94

From Canon RE Turner, Belfast

2. MANUSCRIPTS

Acheson, Alan: corresp & papers, 1981-95

From Dr Acheson, Canada.

Bartlett, Canon JR: sermons, 2014

From Canon Bartlett, Dalkey.

Bettridge's Charity: minutes, accounts, lists, 1775-1957

CMS – Cork: minutes, 1933-63

Cork Protestant Orphan Society: accounts, annual reports, 1834-2000

Green Coat Hospital, Cork: minutes, accounts, 1747-1890

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Kingston College, Mitchelstown: minutes, accounts, 1822-1980

Lapp's Charity: minutes, accounts, admissions, applications, chaplains' bk, papers, 1848-1970

West Cork Protestant Parents Association: minutes, 1968-75

From Diocesan Office, Cork.

Cavan Protestant Orphan Society: minutes, 1898-1999

From Rev WL Steacy, Hon Treasurer.

Deane, Canon JLB: corresp & papers, 1973-2004

From Mrs Helen Redmond, Bandon.

Church of England Society House, Kilkenny: trustees' minutes, 1837-1927.

Ellison, Rev CSS: diaries, 1911-44

Switzer's Asylum: chaplain's bk, 1910-52

From St Canice's Library, Kilkenny.

Fellowship of Columba: minutes, 1944-70

North-West Council of Churches: minutes & papers, 1964-89

Scrapbook of press cuttings re. Irish Church bill and General Convention, 1869-70

From Derry Diocesan Office

Ferns Protestant Orphans Society: minutes, accounts, annual reports, papers, 1837-1996

From Mr Brian Thorpe, New Ross.

Fingal Clerical Union: minutes, 2009-13

From Rev Elaine Dunne, Dublin.

Gregory, Rev James; licence for absence from the bp of Kildare, 1826

From Ian Lumley, Dublin.

Hewetson's School, Clane: minutes & accounts, 1929-76

From Ms Shirley MacDermott, Prosperous, Co Kildare.

Kennerley, Canon KV: corresp, papers, photographs, press cuttings, printed

material rel. to the movement for the ordination of women in Ireland, 1980-2003

From Dr Kennerley, Dalkey.

Kirwan House: register, admission papers, accounts, 1886-1981

Lady Belvedere Orphan Institution, Tyrellspass, Co Westmeath: minutes, accounts, register, 1849-1943

From Kirwan House Trust

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Macourt, Ven WA: papers, visiting bks, scrapbooks, photographs, orders of service, audio & video recordings, 1892-2012
From Malcolm Macourt

Ossory Diocesan Temperance Association: minutes, 1875-1953
From Piltown Rectory.

Parnell, CS; letter to William Kerr, 1882
From Charles Reede, Dublin.

Perdue, Rev EL: letters of orders, licences and institutions, 1922-28
From Conor Perdue.

Sadleir, Rev Richard: diaries, 1857-61 & diaries of his wife, 1840-66
From Richard Sadleir, New Zealand.

Slater, Rev EDH: sermons, 1943-80
Shannon, Canon FT: sermons, 1953-97
From St Catherine & St James, Dublin

Turner, Julia: papers rel. to the launch of book on Daphne Wormell, 2013
From Mrs Turner, Canada

3. PHOTOCOPIES

Boulter, Abp Hugh: copy of his will, 1743
From Dr Kenneth Milne, Dublin.

Hallowes, Rev RC: letter, 1890
From Alison English, Sligo.

Stack, Bp CM (1824-1941): transcript of autographical fragment
From Hilary Tulloch.

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APPENDIX K

**FUNDS RECEIVED BY THE
REPRESENTATIVE CHURCH BODY IN 2014
FOR PAROCHIAL AND DIOCESAN ENDOWMENT ETC**

	€	£
Anderson, Isobel		2,000.00
Askins, Frances K	236,506.52	
Bishop Stearne's Charities (addition)		5,000.00
Bowens, Julia	10,000.00	
Breadon, Josephine		400.00
Brown, Mary Eileen		300.00
Campbell, Liz	2,000.00	
Carson, WJ & Irene		100.00
Cathcart Caughey, Mary		10,106.65
Cavan Protestant Orphan Society	10,000.00	
Church Mission Society Ireland (addition)	500,000.00	
Clogher Diocesan Board of Education	7,731.43	
Connor, Oriel	5,000.00	
Cox, Joseph & Olivia (addition)	200.00	
Fermanagh Protestant Orphan Society		100,000.00
Ferns Diocesan Board of Education (Gorey)	8,000.00	
Finley, Mary Anne		11,863.36
Fletcher, J		2,000.00
Garden of Remembrance (addition)	2,892.06	
Gilmore Donation	5,000.00	
Gordon, Kathleen		500.00
Hall, William		2,000.00
Jane, Harriet		2,500.00
Knox Memorial Fund	72,057.00	
Leeman Family, Umgola		10,000.00
Limerick, Killaloe & Ardfernt Contingency Fund	72,181.59	
McCracken, James	1,000.00	
Nesbitt, Audrey & Patrick		1,000.00
Neville, Bobby		1,140.00
Parish Funds Belfast St George (Connor)		10,000.00
Parish Funds Castlerock (Derry)		5,000.00
Parish Funds Currin (Clogher)	5,159.27	
Parochial Funds Powerscourt (Glendalough) (addition)	40,672.18	
Pratt, Hanna M	70,000.00	
Renshaw, Dr AA (addition)		17,059.64
Sinnamon, Benjamin HI (addition)		36,928.09
Smyth, Lucy (addition)	70.00	
Smyth, Robbie (addition)	50.00	
Sundry Trusts Currin (Clogher)	18,052.05	

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	€	£
Sundry Trusts/Parish Funds Kildrumferton (Kilmore) (addition)	1,500.00	
Thompson, Shirley		540.00
Tottenham, Geoffrey	10,000.00	
Waterford & Bishop Foy Endowed Schools (addition)	35,000.00	
Watson, Billy	88.00	
Willmott, Richard (addition)	325.00	
	<u>1,113,485.10</u>	<u>218,437.74</u>